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THURSDAY, OCTOBER 20, 1938



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The NATIONAL UNDERWRITER

Forty-second Year—No. 42

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 20, 1938

\$4.00 Per Year, 20 Cents a Copy

Western Insurance Bureau Holds Mid-year Session

H. A. Clark Presents
Historical Sketches in
Presidential Report

ASHEVILLE, N. C.—In his report as chairman at the mid-year meeting of the Western Insurance Bureau here, H. A. Clark reviewed the action that has been taken by the W. I. B. directors on proposals of the subscribers actuarial committee, and as president of the bureau, Mr. Clark gave an interesting history of the various organizations and bureaus with which the W. I. B. is affiliated and has accredited representation. Mr. Clark is vice-president and western manager of the Firemen's group in Chicago.

The W. I. B. directors, Mr. Clark said, approved the proposal that certain classes of risks that have heretofore been excluded from the privilege of being written under extended coverage endorsements, be transferred to the list of risks that can be so insured when specifically rated.

Most of these classes of risks, Mr. Clark recalled, had either a particular windstorm, riot and civil commotion or explosion hazard. Leaders in the business decided that during the test period when the supplemental contract was being given a reasonable field experience it was advisable to avoid complicating the problem with these special classes.

Produce \$1,000,000 a Month

These rules have now been in effect for some three years, he pointed out, and are producing a premium income of about \$1,000,000 a month in the western territory. The classes of risks involved are those included under paragraph (d) of the rules, except errors and omissions insurance, which is now being given special consideration.

The directors have also, he said, approved the recommendation that an extended coverage endorsement consequential loss and damage assumption clause be approved.

Mr. Clark observed that the extended coverage endorsement contains, under the stipulations applicable to riot, a specific exclusion of liability for loss resulting from damage owing to change in temperature or interruption of operations when such change in temperature or interruption of operations results from riot or strike, or occupancy by striking employees ("sitdown" strikers).

Ever since the extended coverage endorsement first made its appearance, inquiries have been received as to how that coverage which is specifically excluded under the riot provision might be assumed. This is the text of the clause that has been approved:

"In consideration of \$..... additional premium, and subject to the stipulations,
(CONTINUED ON PAGE 31)

Trace International Flow of Insurance Transactions

WASHINGTON—A decrease in the net outflow of funds on account of the operations of foreign insurers in the United States from \$43,000,000 in 1936 to \$33,000,000 in 1937 and an increase in the net inflow of funds on account of the operations of American insurers in foreign countries from \$21,000,000 to a post-war peak of \$33,000,000 brought receipts and payments on international insurance account into virtual balance in 1937, as contrasted with a net outward movement of \$22,000,000 in the preceding year, it was disclosed by the department of commerce in its annual report on the balance of international payments.

"These developments," the department explained, "were the result primarily of a sharp fall in the reported movement of funds from the domestic branches of Canadian life insurance companies to their home offices in Canada on the one hand, and of a sharp rise in the amounts withdrawn from Canada by United States life companies on the other."

"The transfers abroad on account of the operations of domestic branches of foreign fire and marine companies were somewhat smaller in 1937 than in 1936; those arising out of the operations of branches of foreign casualty companies, of non-admitted foreign companies, and of the United States affiliates of foreign companies were all somewhat

larger. The net movement of insurance funds from this country to the United Kingdom, estimated at approximately \$27,000,000 in 1936, was placed at \$28,500,000 in 1937."

The premium income of foreign insurers in this country, the department found, rose from \$384,000,000 in 1936 to \$418,000,000 in 1937, the largest aggregate since 1931. The gain for the year was distributed among all types of companies, but the bulk of the increase, as of the total, was obtained by British units. The premium income of American companies abroad last year, reckoned at \$113,000,000, showed no significant change from 1936.

Assets in U. S. at New Peak

The admitted assets held by foreign companies in this country were further increased during the year to a post-war peak of \$1,140,000,000, while the assets held by domestic companies in foreign countries were slightly reduced. The respective aggregate net equities were each reduced below the level of 1936, it was said, that of foreign insurance companies in their American branches and affiliates from a record high of \$375,000,000 to \$356,000,000 and that of American companies in their Canadian branches and affiliates from \$120,000,000 to \$95,000,000, data for other countries not being available.

Sees Low Fire Loss Bottom as Passed

On the theory that the bottom has been reached so far as values, prices and inventories are concerned, Fire Marshal W. J. Scott of Ontario ventured the opinion that the bottom of the cycle of low fire losses has been reached, if indeed it has not been passed already. He addressed the convention of the Ontario Fire & Casualty Insurance Agents Association in Toronto.

As real property and merchandise values increase and as inventories become larger, larger individual fire losses may be expected as well as an increase in the total fire loss. For the first nine months of 1938 in Ontario, there is an increase of \$387,506 in the insurance loss compared with the parallel period last year. That is an increase of 8 percent.

In Ontario, last year the fire marshal's office secured convictions in 69 percent of its arson prosecutions. He stated that this record is not excelled anywhere.

Standard Fire Policy

Mr. Scott referred to the project to redraft the standard fire policy. He criticized two changes that have been proposed. If the insuring clause is extended to read "against all direct loss or damage by fire, lightning, smudge, smoke and explosion," Mr. Scott predicted that underwriting difficulties would ensue and the problem would be created in deciding between friendly and hostile fires and in limiting the losses to any sudden damage so as to avoid

paying for the gradual smoking up of household decorating over a period of months.

To withdraw a large number of the conditions and limitations of the policy completely might, according to Mr. Scott, affect the principles of full disclosure which are at the root of the bona fides of an insurance contract and might cause an increase in the designed fire particularly if the lid is lifted on the amount of insurance to be carried.

Fire Loss Figures for First Nine Months

NEW YORK—September proved a hot month, the fire losses of the country for the period, the National Board reports, totaling \$23,372,528, greater by 11 percent than for the preceding August, and an increase of 17 percent over the figures of September, 1937. The addition of the September returns increases to \$215,835,931 the aggregate fire loss for the first 10 months of 1938, compared with \$209,599,799 for the like period last year, and \$219,975,984 for the first 9 months of 1936. The record by months for each of the three years is:

	1936	1937	1938
Jan. \$	27,729,930	25,069,895	27,676,337
Feb.	30,909,896	28,654,962	26,472,626
March	29,177,406	29,319,029	29,050,968
April	25,786,835	26,663,854	25,616,112
May	21,479,380	21,437,739	22,917,577
June	30,407,485	19,524,765	19,473,617
July	22,357,020	19,812,485	20,434,688
Aug.	21,714,495	19,767,314	20,821,184
Sept.	20,413,537	19,349,756	23,372,528
Tot.	\$219,975,984	\$209,599,799	\$215,835,931

Owen M. Murray Is to Be President of Paramount Fire

Dallas Man Will Head N. Y. Company Being Formed by Mortgage Bankers

Those interested in promoting Paramount Fire of New York have now issued an official statement which adds very little to what has already been published as unofficial information, except that Owen M. Murray of Dallas will be the president. The statement declares that Paramount Fire is being organized under the New York laws by a group of agents who are also engaged in the mortgage loan business. The company will be a member of all supervising organizations to which the Home of New York, its reinsurer, subscribes. "It will be its purpose to cooperate with state and local board organizations of insurance agents," the statements asserts.

"W. Eugene Harrington, one of the organizers and past president of the National Association of Insurance Agents, will be a director of the company. Mr. Harrington has been engaged in an advisory capacity to promote the operation of the company in harmony with the principles of the American agency system."

Murray Is Large Operator

Mr. Murray operates a large mortgage lending agency in Dallas. He has been promoting the idea among mortgage bankers throughout the country. He is said to have collected considerable information on the loss ratio on the type of business that mortgage bankers control. The idea is that mortgage bankers will place their preferred business with Paramount Fire. Apparently the loss ratio that the promoters have been mentioning as a reasonable one to expect is 10 percent.

Home of New York will reinsure the business 100 percent. The profit on the reinsurance transaction, especially through the contingent if the loss ratio should be as low as 10 percent, will produce funds from which substantial dividends to stockholders may be declared.

Mr. Murray, it is said, estimates that the premiums of Paramount Fire the first year, will amount to \$1,000,000.

During the course of the convention of the Mortgage Bankers Association of America in Chicago last week, Mr. Murray had a meeting with a dozen or so mortgage bankers, whom he was interested in bringing into the picture. He told those present that regional meetings will be held at which the details will be explained to mortgage bankers in various parts of the country and at which they will be invited to subscribe to stock of Paramount Fire.

It is understood those at the meeting were told that the mortgage banker
(CONTINUED ON PAGE 41)

Missouri Agents in Session Call for Law Enforcement

Resolution Directed to Superintendent Robertson Seeks License Law

NEW OFFICERS ELECTED

President—William J. Welsh, Kansas City.
First Vice-president—George Clayton, Hannibal.
Second Vice-president—Basil Sparlin, Springfield.
Third Vice-president—Don Hemenway, St. Louis.
Secretary-Treasurer—John J. O'Toole, St. Louis.
Chairman executive committee—Loren W. Garlich, St. Joseph, reelected.
Executive secretary—J. W. Rodger, St. Louis.
National Councillor—Leslie E. Bright, St. Louis, reelected.
Regional vice-presidents—W. B. Bernard, Carruthersville; Arthur Dacy, Springfield; A. F. Felker, St. Louis; Lynn Fellison, St. Joseph; F. V. Griffith, Kansas City; R. L. Menard, Joplin; C. B. Rollins, Jr., Columbia; P. K. Weis, Moberly.

ST. LOUIS—The Missouri Association of Insurance Agents in its annual meeting here this week adopted the following resolution:

Whereas, it comes to the attention of this association that the following violations of insurance laws of this state abound in certain sections with particular reference to the solicitation, inspection and writing of property insurance in Missouri, namely:

(1) The operation of non-licensed agents, non-licensed brokers and non-licensed inspectors in this state.

(2) The operation of non-licensed carriers through non-licensed agents, non-licensed brokers and by mail at rates far lower than those filed with insurance department by licensed carriers;

And whereas, such violations result in loss of premiums to licensed companies and licensed agents through this unfair and illegal competition and a substantial financial loss to the state through the loss of taxes on the premiums written by unlicensed carriers;

And, whereas, in certain instances such violations have been reported to the Missouri insurance department without results up to this time;

Resolved, that this association call upon the insurance superintendent of this state to proceed without delay when reasonable evidence is submitted that the insurance laws of the state of Missouri have been violated to make thorough investigation and to prosecute violations to the full extent of the law and his authority.

Another resolution adopted called for the association through the proper committees to encourage and foster passage of a comprehensive agents license law containing reasonable requirements as to competency, experience and integrity of license of applicants and also for seeking the cooperation of insurance companies.

The resolution committee that drafted these resolutions was: Charles Morrill, St. Louis, chairman; F. V. Griffith, Kansas City; R. L. Menard, Joplin; W. B. Bernard, Carruthersville, and P. K. Weis, Moberly.

Leslie E. Bright, vice-president Lawton-Byrne-Bruner Agency, St. Louis, National councillor for Missouri, and E. D. Lawson, manager western department, Fireman's Fund, Chicago, spoke at the closing session.

President Morrison Clevlen of Poplar Bluff was in the chair until just before final adjournment. He presented his successor, Mr. Welsh, and turned the

(CONTINUED ON PAGE 32)

Monopoly Committee Continues Its Study

SEC Investigation Is Now Expected to Start About Nov. 15

WASHINGTON, D. C.—Hearings of the administration monopoly committee now are expected to be called for about Nov. 15, but indications are that some time will elapse before the committee is ready to go into the operations of insurance companies.

The Securities & Exchange Commission, which is compiling the material on which the committee investigation will be based, has sent questionnaires to a large number of insurance companies, but the study is still in the preliminary stage, with more questionnaires to go out in the near future.

SEC officials are not discussing the inquiry, which it has been reported would go into, among other things, the reorganization of the Missouri State Life, but explained that the present purpose of the study is to determine the extent, if any, to which insurance company investment policies lend themselves to the furtherance of monopolistic trends in industries in which they invest.

The insurance survey of the SEC is one of a number of investigations which are to be made by that and other federal agencies for the monopoly committee. Following completion of the inquiry, a full report will be submitted to

Closer Estimates Now Being Made of Storm Loss

BOSTON—The net out-of-pocket loss to the factory mutual companies in the New England hurricane and tidal wave is likely to be in the neighborhood of \$2,700,000. Each company in the factory mutual group has its own excess of loss arrangement with London Lloyds. The retentions vary according to the financial set-up of the individual factory mutual company, ranging, it is understood, from \$100,000 to \$500,000. The aggregate of the net retentions of all of the factory mutual companies is \$2,700,000.

In addition the factory mutual companies participate to the extent of 10 percent in losses above the retentions. That is in accordance with the customary provision in the catastrophe cover whereunder the reinsurer pays 90 percent of losses above a certain minimum.

The fire loss of the factory mutuals in the Seale Mills, New Bedford, Mass., does not fall on Lloyds. This fire occurred a week after the hurricane and Lloyds is liable for excess cover merely for all losses occurring within a period of 48 hours. Although the Seale total damage is estimated at as much as \$2,000,000, the factory mutuals, it is understood, are estimating that their loss under the contract will not exceed

(CONTINUED ON PAGE 34)

the committee, on which any further investigation will be based.

Rouillard Divulges Department Hand on Two Problems

Tells New Hampshire Agents Policy on Part-Timers, Responsibility Law

By R. E. RICHMAN

MANCHESTER, N. H.—Intimation was given by Commissioner Arthur J. Rouillard of New Hampshire at the annual meeting here of the New Hampshire Association of Insurance Agents on two important items in his department's policy. Shortly he plans to rule that under the financial responsibility law, which requires both liability and property damage protection by car owners, only companies writing both coverages in one policy comply with the law. Also, he said, he will not rule out part-time producers, but hopes to develop more severe examinations with closer grading.

His contemplated financial responsibility action would require many fire companies writing property damage only to make new arrangements. No garage policy now can be issued without an additional interest.

President Clark Reports

When President George E. Clark of Lisbon called the meeting to order, about 75 were present. Many agents were absent, being still busily engaged in handling hurricane losses and soliciting windstorm coverage. Report of Stewart Nelson, Concord, secretary-treasurer, showed healthy financial condition. President Clark said in his address that only one piece of unfinished business confronted him when he took office—brokerage commissions. This has been settled satisfactorily with the Eastern Underwriters Association and new problems solved include approval in New Hampshire of the retrospective rating plan for workmen's compensation, introduction of an assigned risk plan for compensation insurance and action on the automobile safe driver reward plan. He praised especially cooperation of J. Frank Demeritt, Exeter, editor "Granite Chips"; Alpheus White, Keene, National councillor, and Stewart Nelson, secretary.

Fred J. Marshall, East Aurora, N. Y., chairman National Association of Insurance Agents' committee on rural agents problems, opened the discussion on this subject. An objective of his committee, he said, is to obtain a larger membership of rural agents in associations so funds may be available for promoting more educational assistance on writing rural business. The rural agent particularly, he declared, is harassed by the parttime agent. He urged discontinuance of company appointments of many who are not fitted for the business and do not intend to give time and attention to it. Much greater knowledge of activities of federal government agencies affecting insurance in rural communities today is a necessity for the rural agent who would serve his customers and maintain his business.

Details New York Program

State associations, he urged, should keep members informed of bills before Congress, and rules and regulations on insurance by federal bureaus. He explained how the New York association organized and operated for serving rural agents membership and how rate reductions were obtained. Broader coverage, commission adjustments and rate action

(CONTINUED ON PAGE 32)

THIS WEEK IN INSURANCE

Official statement is given out concerning the plans for organization of **Paramount Fire** of New York by a group of mortgage bankers. **Page 3**

Semi-annual meeting of the **Western Insurance Bureau** was held this week at Asheville, N. C. **Page 3**

U. S. department of commerce issues its annual report on the **balance of international payments**, including reference to the movement of insurance moneys. **Page 3**

Connection of **George C. Stevens** and **Stewart B. Hopps** with the **Pearl group** is to be terminated as of the end of this year. **Page 8**

Sidney O. Smith, in addressing Tennessee agents association, expresses belief that a contest for supremacy between the different systems of production lies ahead. **Page 6**

Annual meeting of the **Missouri Association of Insurance Agents** is held in St. Louis. **Page 4**

Tennessee agents take action to remedy demoralized casualty conditions in state with Memphis conference called for Oct. 24 following annual convention there. **Page 15**

New Hampshire department's attitude on important issues related by Commissioner Rouillard at local agents' convention in Manchester. **Page 4**

Ontario agents elect **Stanley O. Mason** president at annual meeting. **Page 5**

Maryland agents hold annual meeting at Cumberland. **J. E. Cochran** elected president. **Page 16**

Los Angeles Insurance Exchange gives its banquet in tribute to **W. H. Menn** of that city, newly elected president National Association of Insurance Agents. **Page 14**

Appointment of the members of the **executive committee** of the National Association of Insurance Agents is announced this week. **Page 16**

Hearings conducted by the **Securities & Exchange Commission** investigating insurance companies in relation to monopoly are expected to be called Nov. 14. **Page 4**

Insufficient attention given to **non-flying accidents in aviation**. **Page 5**

Superintendent McNair of Ontario opposes term restriction on mercantile and manufacturing risks policies. **Page 9**

September fire loss report shows a marked increase over immediate previous months. **Page 3**

Rural electrification administration is likely to require borrowers to arrange their insurance protection before, instead of after getting their loans. **Page 6**

A. W. Leonard, Jr., has become president of the **Mutual Church & Home** of Milwaukee. **Page 13**

Program of the annual meeting of the **Arizona Association of Insurance Agents** is announced. **Page 19**

Illinois Association of Insurance Agents annual meeting plans being formulated. **Page 14**

Superintendent Pink of the **New York Insurance department** announces appointment of three deputy superintendents. **Page 11**

Spencer Welton, vice-president Massachusetts Bonding, spoke this week before the annual meeting of the Massachusetts Association of Insurance Agents. **Page 25**

W. H. Bennett discusses various phases of **London Lloyds** competition in addressing annual meeting of Missouri Association of Insurance Agents. **Page 25**

E. F. Hanson, Los Angeles, elected president of California Association of Accident & Health Clubs. **Page 25**

Washington National holds its annual convention in Chicago with more than 400 leading producers in attendance. **Page 26**

So-called all-inclusive occupational disease laws are likely to promote unemployment, as industry, in self defense, restricts employment to the physically perfect, young and strong, according to **Henry D. Sayer**, who addressed the National Safety Council in Chicago. **Page 27**

Conference held in New York by officials of the New York State Association of Local Agents and the various brokers organizations of New York City approved the plan for writing **automobile bodily injury and property damage insurance** in that state. **Page 26**

Globe Indemnity announces plan for its New York metropolitan department following the death of First Vice-president **T. J. Grahame**. **Page 28**

Annual meeting of the **Utah Fire & Casualty Insurers Association** will be held Friday of this week. **Page 30**

Aviation Neglects Non-Fatal Phases Of Loss Prevention

Non-Flying Accidents Costly, Says Lederer of Aero Underwriters

While accident prevention is of tremendous importance to aviation, insufficient recognition has been given to losses caused by fire and windstorms which are outside the common definition or conception of an airplane accident, Jerome Lederer, chief engineer Aero Insurance Underwriters, said in his address before the national aircraft production meeting of the Society of Automotive Engineers at Los Angeles.

"These losses may not involve the safety of life but they do seriously affect the economics of aviation," he pointed out. "Ground personnel and aircraft operators should be instructed to respect and adopt precautions against fire, windstorm and other hazards pending improvements in airplane design which will reduce them."

Fire Claims Are \$2,000 Weekly

Mr. Lederer said that in a recent hangar fire aviation suffered a loss of aircraft valued at \$300,000 or the equivalent of \$30 for each civil airplane in this country. Insurance companies pay out an average of \$2,000 per week for airplanes lost by fire alone.

"When a radio is stolen from an airplane, when a hangar collapses on airplanes stored in, when a windstorm picks up a parked airplane and then hurls it down to crash or when a spectator stumbles over a tail wheel dolly and sprains his back, losses occur which may be far removed from safety as that word is usually understood in aviation," Mr. Lederer said. "These losses, in the end, are paid for by airplane owners. Aeronautical engineers therefore should be interested not only in the special study of safety to passengers and crew but also in the general study of loss prevention."

Confining his statements to some of the outstanding loss prevention problems in non-scheduled civil aviation

(CONTINUED ON PAGE 41)

W. U. A. Public Relations Unit Has Good Report

The report of the public relations committee at the recent mid-year meeting of the Western Underwriters Association will be put up in printed form for distribution to the members. J. C. Harding, executive vice-president Springfield Fire & Marine, is chairman of that committee which has taken on major proportions during the past two or three years. It is the committee to which Wallace Rodgers, assistant manager of the W.U.A., gives most of his attention.

A total of 293 meetings have been conducted since January, 1937, in pursuance of the program of business development and education. There has been a total attendance of 18,000 local agents, with an average attendance of more than 60 per meeting.

At one of the meetings local agents invited members of Rotary, Kiwanis, Lions Clubs and the chamber of commerce to hold their meetings concurrently with and as guests of the local agents.

Several additional towns and cities have taken preliminary steps toward execution of the organized sales campaign, following discussions of the subject at zone meetings.

Map New Zone Meetings

Another series of zone meetings will be held in the 1938-39 season. Material and plans have been furnished to the committees that will aid speakers in discussing their subjects. Part of the material consists of a discussion of "constructive developments" consisting of a review of the efforts of the stock companies to assist agents and sales promotion. Under the heading "New Merchandise — New Models — New Methods," a review has been prepared of new forms and contracts that have been made available in recent years together with suggestions how the agents may capitalize on the new contracts, and there is a discussion of public relations.

The original organized sales campaign has been revived and is now available in printed pamphlet in four sections, the first consisting of a joint sales campaign, the second a joint program of public relations, the third joint treatment of insurance on public and institutional property and the fourth, educational activities of local credit men's associations.

The committee reported that agents, field men and company executives have

(CONTINUED ON PAGE 44)

Walking Secretary of Ontario Agents Is 72 Years Old

TORONTO—Charles Priestman, secretary-treasurer of the Ontario Fire & Casualty Insurance Agents Association for 18 years, celebrated his 72nd birthday on Oct. 14 by putting the finishing touches on the annual convention of the association which closed on that day.

Mr. Priestman looks like a southern colonel. In fact, he was born in Richmond, Va., although he has been in Canada for 60 years. His father was a Canadian. He lives on matches, cigars and walking. He never is without a cigar in his mouth and a packet of matches around. He always smokes 15-centers and checks up when the boy brings back his stogies for fear they be of the nickel variety.

The real story behind Mr. Priestman is in the amount of walking he does for a man of his age. On March 17 every year the local dailies take Mr. Priestman's cut out of the morgue, for on that day he always makes his 25-mile hike from Toronto to Oakville, often through snow, sleet, hail and slush. He always completes the trip in less than six hours and he has done it for 10 consecutive years.

Turned Down Film Offer

On last March 17 Mr. Priestman went the last 10 miles of the hike in two hours even. There were two bands in green uniforms out to meet him. And 400 people went from Toronto by train and automobile to see him at the finish.

He cashes in on a \$10 wager which was first started 10 years ago every time he does the 25 miles in six hours or less. His average for the ten-year period has been one mile every 12½ minutes. He turned down a commercial offer from representatives of an important film company in Hollywood. They wanted him to walk to California and each night appear in one of the theatres in the city or town where he bunked. He says he is making sufficient money to take care of himself and will leave the film offers possibly for his old age.

He walks four miles daily before breakfast and gets up at six to do this. He doesn't eat much during the day, but friends state he eats enough after that four-mile jaunt to last any average man a full day. His average for a four-mile morning trip is 55 minutes. Even the convention did not interfere with this practice.

Mason Is Reelected By Ontario Agents at Toronto Meet

New Attendance Records Established—Seek to Improve Agency Standards

OFFICERS ELECTED

President—S. O. Mason, Welland. Vice-presidents—J. McClary Moore, London; Jamieson Bone, Belleville; Ian Dowling, Brantford; W. H. Shaver, Midland, and R. E. Smalley, Chatham. Secretary-treasurer — Charles Priestman, Toronto (reelected).

TORONTO — Attendance records were established at annual convention of the Ontario Fire & Casualty Insurance Association here with almost 800 persons registered. Stanley O. Mason, Welland, was reelected president for his third term, and Charles Priestman, Toronto, continues as secretary-treasurer for his 19th year.

A new feature this year was the preliminary dinner for presidents and secretaries of local associations, executive and members of the council and committees. The Canadian Underwriters Association introduced a display of fire protection devices.

J. S. P. Armstrong, agency manager of the Dominion of Canada General and vice-president of the Insurance Institute of Toronto, speaking on "Correspondence Course for Agents," suggested that the association seek legislation compelling first-time applicants for agents' license to take written examinations.

Seek to Improve Service

The agency qualification law movement is not due to the desire on the part of organized insurance agents to restrict competition, said Mr. Armstrong. It is in the interests of the public, to make certain that buyers are provided with proper information and service.

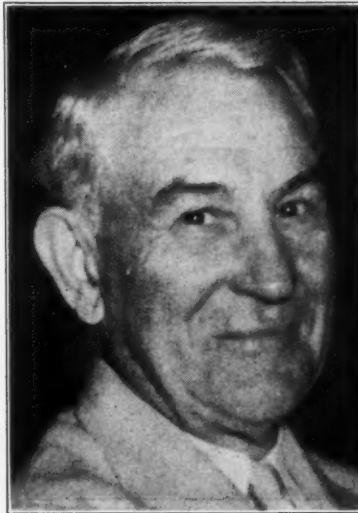
"There are men in the insurance business who are inadequately equipped to recommend insurance coverages to

(CONTINUED ON PAGE 44)

SPEAKERS AT MISSOURI LOCAL AGENTS CONVENTION



M. L. CLEVELLEN, Poplar Bluff Retiring President



W. H. BENNETT, New York National Association Secretary



R. E. VERNOR, Chicago Western Actuarial Bureau



DUDLEY GIBERSON, Alton, Ill. Giberson Insurance Agency

Production Systems Vie for Supremacy

Sidney Smith Sees Agency Plan as Having Power to Maintain Leadership

Belief that a contest for supremacy between the different systems of production lies ahead was expressed by Sidney O. Smith of Gainesville, Ga., in addressing the annual meeting of the Tennessee Association of Insurance Agents. Mr. Smith is the newly elected executive committee chairman of the National Association of Insurance Agents.

He said he is convinced that in the agency ranks exists the talent, leadership and character to maintain agency supremacy in the field of production.

The first step, according to Mr. Smith, is a frank examination on the part of the agents of their own imperfections and a determination to correct them. Then, he said, each agent can find the high standard of company representation that he is seeking and that is seeking him.

Crisis Is Frequently Called

In recent years, the statement has been reiterated that the agency system is on trial, standing at the crossroads, facing a crisis. The inference is, Mr. Smith said, that many local agencies cannot or will not match or surpass forms of competing service and that they do not recognize changed conditions. It is true those agents can be condemned who have failed to perform their expected functions and those companies can be condemned who claim to support the agency plan but continue to renew the licenses of agents who bear the label of failure.

Before the need of general coverages and multiple locations arose, stock insurance, he said, found it necessary and profitable to operate under the local agency plan, growing big, powerful and useful. Today, many companies have become opportunists. They employ the agency system, he said, when it serves their immediate needs but discard it when other methods promise better returns. This plan, he said, crept upon many companies and their agents before either party realized its full import. Many fine companies are genuinely agency minded but find themselves enmeshed in a system of competitive forces from which thus far they have been unable to extricate themselves, according to Mr. Smith.

The National Association of Insurance

Aids Organization of Paramount Fire of N. Y.



W. E. HARRINGTON

W. E. Harrington of Atlanta is serving as insurance advisor to those who are organizing Paramount Fire of New York.

Agents, he said, is the only practicable approach that offers a hope of maintaining the agency status. The association has won for the agents legal recognition of ownership of expirations, conference agreement and a new and binding form of agency contract. It has a record of fair dealing with the companies and intelligent recognition of the rights of the public. The agents have no other accredited spokesman.

It is a hard task to maintain supremacy in the production field if the ranks are not unified.

Superior training and application on the part of agents, proper conduct, including unquestionable loyalty, he said, will win back from the companies a support and an allegiance that now appears to be divided.

Members of the National association, he said, "must choose between those companies who share our faith and those whose only god is expediency."

The Gem City Insurance Agency, Dayton, O., has been incorporated by Mary Beth McKenny, C. J. Hatke and H. B. Solimano.

Overhead Writing Is the Big Issue

W. H. Bennett Discusses Countersignature Provision in Agency License Laws

TORONTO — In his address at the annual meeting of the Ontario Fire & Casualty Insurance Agents Association on "The Production Subdivision of Insurance," W. H. Bennett of New York, general counsel National Association of Insurance Agents, reviewed the current issue in the United States over restrictive resident agency and countersignature laws and showed how similar this situation is to conditions in Canada.

Reminding his audience that he had been present last summer at the meeting of the Canadian insurance superintendents at Victoria, B. C., where the question of resident agency laws was discussed, Mr. Bennett reiterated that he had no sympathy with the statement that the whole purpose of a resident agency law is the payment of commissions to an agent in the state or province where the subject matter of the insurance is situated. If that were true, Mr. Bennett maintained, resident agency laws should be abolished, because no agent is entitled to an unearned or "gift" commission. The point of a resident agency law, from Mr. Bennett's viewpoint, is that a policyholder is entitled to receive, in consideration of his premium, the services of a resident agent, and when he has denied that service he is paying for something he does not get.

Company Employees the Issue

In the United States, Mr. Bennett declared, the National Association of Insurance Agents is demanding, not some fixed portion of commissions, but a prohibition of salaried company employees and field men being permitted to countersign policies as resident agents. He pointed out that a licensing law of Georgia along these lines was declared unconstitutional by the U. S. Supreme Court because it exempted mutual carriers. A Florida statute, including mutuals, is now under court attack by a mutual group.

The Virginia law is being attacked in a federal court by the Association of Casualty & Surety Executives, on the ground that the requirement of a resident agency countersignature, the provision that the resident agent must receive at least 50 percent of the commission and the prohibition against sal-

REA May Alter Its Insurance System

Borrower Would Arrange Cover Before Instead of After Getting Loan

WASHINGTON—Plans are under consideration in the Rural Electrification Administration, and are expected to be formally adopted in the near future, under which borrowers will be required to arrange for their insurance before applying for federal money instead of after receiving a government loan, as at present, it was learned in Washington this week.

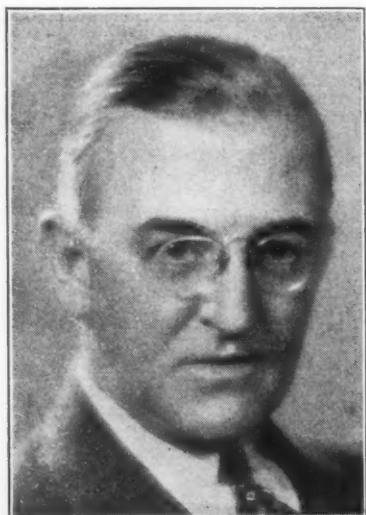
Under the proposed system, borrowers will be required to get a binder on all bonds and insurance, which is to be submitted with the application. At present, the bonds and insurance are taken after approval of the application. The borrowing cooperative will decide whether to use stock or mutual insurance and deal with a company or agent, as at present, but the securing of the insurance will be simplified in that the borrower will know in advance just what types of coverage he must take out, and provide for them, instead of being faced with that problem after securing the money, with a number of different forms of insurance and bond to deal with.

The new method, it is said, will still give the local agent the opportunity of going after the insurance on new REA projects and is in no way designed to force him out of that class of business. However, by handling the insurance and bonds as an entity, the task of borrowing cooperatives and the REA will be simplified.

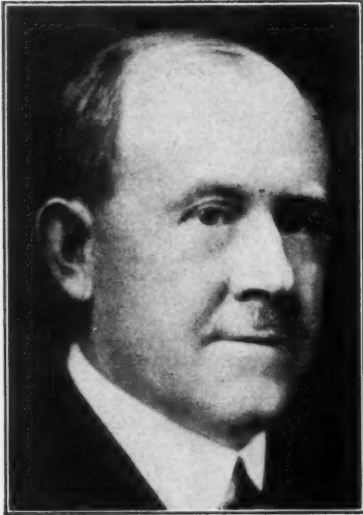
aried representatives of insurance companies being licensed as agents are unconstitutional.

In both the United States and Canada, Mr. Bennett, continued, the production forces of insurance hope for a uniform and reasonable resident agency law and are anxious to negotiate with other interested parties to this effect. Reasonable men, Mr. Bennett maintained, can reach an agreement between themselves as to the proper fee a non-resident agent or broker should be charged in order to write business in a given state or province. Overhead writing is the big issue and, Mr. Bennett concluded, if this is not abolished the agency system, the production subdivision of insurance, will go by the board.

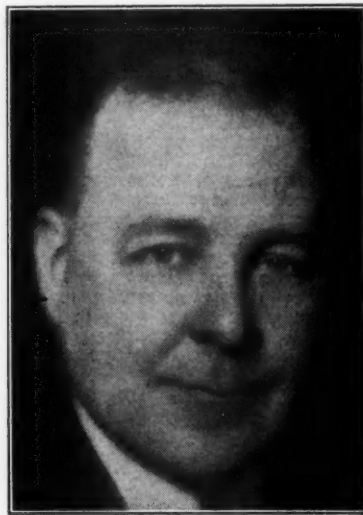
SPEAKERS AT THE MASSACHUSETTS AGENTS MEETING



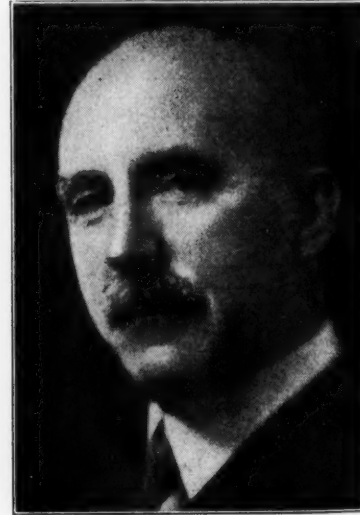
SPENCER WELTON, Boston
Vice-president Massachusetts Bonding



GEORGE G. BULKLEY, Springfield, Mass.
President Springfield F. & M.



F. W. SELSOR, New York City
Claim Attorney Fidelity & Casualty



E. J. COLE, Fall River Mass.
National Councillor

F A M O U S A M E R I C A N H O M E S

*Home Sweet Home...*

IT IS BELIEVED that John Howard Payne was born at East Hampton, Long Island, on June 9, 1791, in the cottage shown above. Payne left this home in his boyhood. He lived in Europe for a number of years and composed "Home, Sweet Home" in Paris. He had first heard the air in Italy sung by a peasant girl carrying a great basket of fruit and flowers. Engaging her in conversation, he endeavored to learn the name of the air, but she could not remember it, so he jotted down the notes which have since become immortal. His song was originally sung in his operatic play "Clari, the Maid of Milan" in 1823.

Referring to Payne's old home, Gabriel Harrison, his biographer, writes, "One who has studied the character of John Howard Payne cannot fail to discover in his picture of the old homestead, (Payne had written a sketch of East Hampton in 1837) a deep, unsubiding love for the place as if the spirit of his boyhood had come back to awaken memories of a delightful past." Preserved against the ravages of time, weather, and fire, this famous old home is still standing and annually attracts many sightseers.

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leading insurance protector of American Homes*

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CHICAGO OFFICE: 209 West Jackson Boulevard

SAN FRANCISCO (Fire 425 Montgomery St.

OFFICES: (Marine 222 Sansome St.



Stevens & Hopps Terminate Pearl Connection

Were General Agents 1932
to Last March, Then "Pro-
duction Managers"

NEW YORK—After serving since last March as production managers for the Pearl-American group—embracing Pearl, Eureka-Security and Monarch Fire, George C. Stevens and Stewart B. Hopps will terminate the connection at the close of the present year. Their letter of resignation was addressed to the London head office of Pearl under date of Oct. 7.

Prior to becoming production managers under a contract made direct with the London management, Stevens & Hopps were general agents of the Pearl and its affiliates in the United States ever since the company began writing direct business here in 1932. Under their aggressive management the Pearl's business went ahead at an astonishing rate, its premium income in 1937 being close to \$8,250,000.

From figures submitted in a review of their operations a net underwriting profit of close to \$1,000,000 is claimed for the five years which sum, they maintain, would have been greater had it not been for the run-off on previously assumed liabilities by Eureka-Security and Monarch.

Mr. Hopps is recognized as a master salesman, and observers believe that in due course he will make another company connection or perhaps launch a new organization.

The managerial policy of the Pearl-American group as now directed by United States Managers C. S. Conklin and A. L. Merritt, while lacking the spectacular appeal that is attached to the former administration, it is felt by underwriters to be along approved, orthodox lines.

Reinsurance Setup Changed

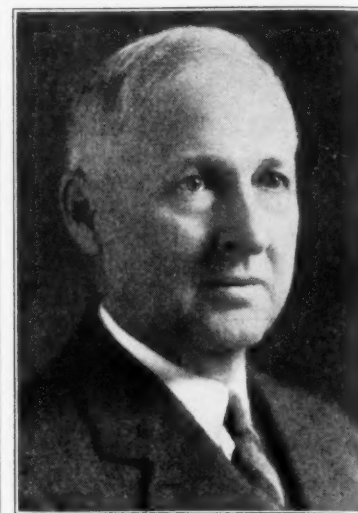
The Stevens & Hopps letter of resignation indicates that Pearl has changed its system of reinsurance in respect of United States business. Heretofore Pearl has been operating in this country under an excess of loss arrangement with London Lloyds. Under this system the direct company pays a percentage of its premiums to the reinsurer, which pays losses that exceed the net retention of the ceding company, but does not participate in the smaller losses, as under the obligatory treaty reinsurance system. The percentage of the premium that the direct company pays varies each year with the loss experience up to a specified maximum and down to a specified minimum. It is written on a five year non-cancellable basis.

The Stevens & Hopps letter indicates that this arrangement has been terminated and that Pearl has effected treaty reinsurance on a reciprocal basis with a number of foreign companies. This means that the net premiums written by Pearl in the United States will show quite a decrease. The Pearl head office management, however, is interested in getting reciprocal business from the reinsurers in countries outside of the United States.

Midwest Underwriters, Detroit, has been incorporated by R. G. Kales, C. B. Kramer and F. P. Hart.

C. J. Reimold and Charles Zuhn have purchased the C. J. Ullrich agency, Mt. Clemens, Mich., from Mrs. Ullrich, who has conducted it since the death of her husband.

Security's Western Office Marks Its 50th Year



WALTER D. WILLIAMS

The western department of Security of New Haven has put out a handsome booklet in commemoration of the 50th anniversary of its existence. The foreword gives a history of the department. In 1888 the late Charles E. Sheldon, secretary of the Rockford Insurance Company, Rockford, Ill., decided to represent an additional company. He went east, called at several head offices, was particularly attracted by the Security and made a deal on the spot. He was appointed western general agent at Rockford for Security.

The business developed steadily and in 1895 the Security and the Rockford issued a joint policy under the name of the Associated Underwriters. In 1899 the business of the Rockford was reinsured in American of Newark, but Mr. Sheldon continued in charge for both the Security and American.

In 1907, the business of Security reached such proportions that an independent department seemed desirable. In 1912 the present department office in Rockford was built. Jesse A. Daggett became western manager in 1907. He died two years later and in 1910 Walter D. Williams became manager.

W. D. Williams' Career

Mr. Williams in 1895 went with Fireman's Fund as special agent for Minnesota and the Dakotas. Two years later he was made state agent for the Spring Garden of Philadelphia for Minnesota, Wisconsin and Iowa. In 1904 he went to the head office of that company as a vice-president. In 1910 he went to the Security as western manager. Last year he was elected president of the Security group companies but continues as western manager as well.

The booklet, side by side, prints a statement of the Security in 1888 when it had assets of \$638,872, capital \$250,000 and net surplus \$107,895, and the 1938 statement, showing assets \$11,095,341, capital \$2,000,000 and net surplus \$3,244,267.

Numerous pictures are printed, including one of the old buildings of the Rockford Insurance Company and the new attractive department office in Rockford, the home office, field men of the western department and officials. Then there is a list of agents with long service records.

Critchell, Miller, Whitney & Barbour, Chicago, have represented Security more than 50 years. Of the 2,500 agencies of the western department, 373 have represented the company 25 years or more. Twenty-three have represented Security more than 40 years, 195 more than 30 years and 154 more than 25 years.

Charles Baker, local agent in Fremont, O., for 40 years, was found dead there.

Term Restriction In Canada Opposed

**Superintendent McNairn
Holds Regulation on Mercantile Risks Is Unfair**

TORONTO—There is nothing vicious or immoral or detrimental to public welfare of such a nature that a restriction on the terms of fire insurance policies should be imposed by legislature, declared Superintendent McNairn of Ontario, in a talk before the annual convention of the Ontario Fire & Casualty Insurance Agents Association here on "The Extension of the Term of Fire Insurance Policies on Mercantile and Manufacturing Risks."

The term of policies on mercantile and manufacturing risks in Ontario is now limited to one year if written by stock companies or three years if written by mutual or reciprocal insurers. Much the same situation exists in other Canadian provinces except in Quebec, where no limitation is imposed. There is no restriction on the term of any other class of insurance except hail. "No similar limitation is imposed in Great Britain and none exists in the United States," said Mr. McNairn.

Associations File Briefs

The question now facing insurance companies as well as the government is: should the law be changed so as to remove the restriction? Mr. McNairn said briefs have been filed with the Association of Insurance Superintendents by the Canadian Manufacturers Association, the All-Canada Insurance Federation, the American Mutual Alliance and the American Reciprocal Insurance Association. The arguments for and against a change in the law are well set out in the briefs of the Canadian Manufacturers' Association and the All-Canada Insurance Federation. Mr. McNairn read these arguments. The C. M. A. contends, in addition to the arguments cited by Mr. McNairn, that:

1. The restriction is an unwarranted statutory interference with freedom of contract.
2. If the prohibition were to be removed, longer term policies would be written with a consequent saving of time and money resulting from reduced acquisition cost and clerical work.
3. It would promote stability in that the risk remains with the insurance company and agent for a longer term.
4. The change in the law would not compel but merely permit the writing of longer term policies.

The All-Canada Insurance Federation is opposing any change on the following grounds:

1. That the present premium rates while on an annual basis really relate to the three year rates of competitors and admit of little, if any, reduction.
2. That the saving of clerical labor, etc., as a factor in total costs would be almost negligible.
3. That the additional reserve required at the outset for three year business would be onerous on the smaller companies.
4. Close supervision of occupancy hazards in mercantile business written on an annual basis and the close connection between the insured and the insurer would be impaired if written on a three-year basis and this is undesirable.
5. There is a danger that important changes in risks and values might escape attention.
6. That although no restriction obtains in Quebec, no action in the way of using this liberty has been taken by the associated companies on the ground that the restriction was a safeguard to them and to the public.
7. That the removal of such restrictions throughout Canada would result in some companies attempting to obtain a temporary advantage by writing as much business as possible for a three-year term and as so many com-

panies, as regards assets, are not in a strong position, this is undesirable.

8. It would upset the statistical basis on which the companies now keep their records.

Will Pay Tribute to John F. Horton

LANSING, MICH.—Plans for an elaborate celebration of the 35th anniversary of John F. Horton's service with the Aetna Life companies, being held at Detroit Friday, were announced

here by Zelin Goodell of the Dyer-Jenison-Barry Company agency, chairman of arrangements for the affair.

M. B. Brainard, president of the Aetna Life is to be present and it is anticipated that fully 200 Aetna-izers from all parts of the state will join in the tribute to Mr. Horton who has been with the Michigan Aetna organization as state manager for 20 years, first in Lansing, later in Grand Rapids, and for the past several years in Detroit.

In addition to President Brainard, speakers will include Commissioner Gauss of Michigan; H. K. Schoch,

Aetna Life general agent at Detroit, and H. W. Florer, Aetna Life general agent at Grand Rapids. E. R. Moore of Port Huron will be toastmaster and Mr. Goodell will make the presentation of a fine wrist watch to Mr. Horton as a gift from the assemblage.

A. S. Rogers on U. S. Visit

A. S. Rogers, general manager of London & Lancashire, arrived in New York this week on the "Queen Mary." He is departing for Canada and will return to this country for a longer visit later.



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In most states, this endorsement has been revised to include smoke or smudge damage caused by sudden, unusual and faulty operation of a stationary or central heating plant—either coal or oil.

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Three New Faces on Executive Board

D. A. North, A. J. Smith,
W. C. Meek Members
of Agents' Cabinet

NEW YORK—As his associates on the executive committee of the National Association of Insurance Agents for the new year, Chairman Sidney O. Smith of Gainesville, Ga., selected and President W. H. Menn endorsed these men: J. K. Boyce, Amarillo, Tex.; J. M. Crosby, Jr., Grand Rapids, Mich.; R. W. Forshay, Anita, Ia.; C. F. Liscomb, Duluth; W. C. Meek, Seattle; P. H. Midyette, Tallahassee, Fla.; D. A. North, New Haven, Conn.; A. J. Smith, New York City, and C. Stanley Stults, Hightstown, N. J. New faces on the committee are Messrs. Meek, North and Smith.

Meek King County President

Mr. Meek is president of the King County Insurance Association, a member of the National association's membership committee, and state chairman of the Business Development Office committee for Washington. He was active in founding the far west agents' conference. He is at the head of the Associated Insurance Agencies of Seattle.

Mr. North, who is secretary and treasurer of North's Insurance Agency, New Haven, Conn., is chairman of the National association's accident prevention committee and in this work he has made a splendid reputation with his "treating dangerous locations" project. The president of his agency is Donald G. North, his uncle, who was a member of the National association's executive committee 1924-1927.

Mr. Smith is president of the New York City agency of Zweig, Smith & Co., and president of the Association of Local Agents of the City of New York.

Augmented by Two More

Retiring President Charles F. Liscomb succeeds his predecessor W. Owen Wilson of Richmond, Va., as a member of the executive committee. While it has been customary for the past several years to appoint the immediate past president as a member of the executive committee, this appointment is embodied in the new constitution as adopted at the mid-year meeting at Hot Springs, Ark., last spring. Under this new constitution, the committee is augmented by two members. With the exception of former President Wilson, no member of last year's committee is retiring from it. None of them come under the new constitutional provision that no member other than the president, chairman and immediate past president shall be eligible for more than three consecutive one year terms, except by approval of a majority vote at a convention.

Messrs. Boyce, Midyette and Stults have served for the past two terms, and Messrs. Crosby and Forshay were appointed last year.

Kurth Offers Erie Railroad Plan

Wilfred Kurth, chairman of the board of the Home fleet, acting for a group holding \$11,359,000 of Erie railroad securities, filed with the Interstate Commerce Commission the first plan for the reorganization of the road since it moved last January 18 to reorganize under section 77B of the bankruptcy act.

Renews Stock Cover on Schools

After considering the relative merits of stock and non-stock fire insurance as presented by their respective spokesmen, the Mount Vernon (N. Y.) board of education decided to renew coverage on buildings and contents under its jurisdiction with stock carriers under a five-year program.

Maryland Agents Elect J. E. Cochran

McComas, Hill, Horner and
Reed Among Speakers at
Cumberland

NEW OFFICERS ELECTED

President — J. Edward Cochran, Hagerstown.

Chairman executive committee — S. Denmead Kolb, Salisbury.

Vice-Presidents — Hoyt Bloodsworth, Princess Anne; M. D. Reinhart, Cumberland; J. D. Lazenby, Annapolis, and Belt Townshend, Chestertown.

Secretary—Shirley G. Kilmer, Baltimore.

Treasurer—C. B. Cash, Westminster. National Councillor—Avery W. Hall, Salisbury (retiring president).

CUMBERLAND, MD.—J. Edward Cochran, Hagerstown, was elected president of the Maryland Association of Insurance Agents at its three-day annual convention here. Selection of the place of meeting next year was left to the new officers. Eastern Shore representatives have asked that next year's meeting be held at Ocean City.

While resolutions were passed, their purport was not made public. There were about 150 delegates registered.

President Hall gave a report on the National association convention. "Claim Man as a Producer" was discussed by C. H. McComas, vice-president of the Fidelity & Deposit; "Rate Making in the Middle Department," by Carlyle C. Hill, Philadelphia, and "What the Washington Service Office Means to the Local Agent," W. T. Reed, Jr., Washington, assistant National association secretary. Reports of various committees were heard.

William A. Gunter, former state senator, was toastmaster at the banquet. Greetings were extended by Mayor Koon. Theodore R. McKeldin, Baltimore attorney, spoke.

Other speakers before the convention were Hazelton C. Joyce, deputy insurance commissioner of Maryland and William J. Horner, marine manager Aetna Fire.

Golf and a bridge-luncheon featured the social side of the convention. The movie, "Approved by the Underwriter" was shown.

President-elect Cochran was called away at the end of the meeting by the illness of his father.

St Paul Exchange in Black on National Convention

ST. PAUL—Preliminary figures indicate that the Insurance Exchange of St. Paul will show a slight profit on the convention of the National Association of Insurance Agents. All the bills are not yet in but there is believed to be enough cash on hand to more than take care of all the obligations.

The exchange continues to receive letters of commendation from insurance men in all parts of the country who attended the convention here in September. One of the most highly prized communications is from Charles F. Liscomb, immediate past president of the association, who at first was a little lukewarm toward holding the convention in St. Paul because of the hotel situation. In his letter Mr. Liscomb says he was more than pleased with the way the big gathering was handled by the St. Paul committee.

Stevens Visiting U. S.

T. E. Stevens of Edinburgh, general manager of the Scottish Union & Nation, is visiting the United States headquarters at Hartford. He plans a trip to the Canadian chief office before sailing from New York for South America early next month, to review important interests there.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

Tax Recording Problems

So gratifying was the number of broker office employees that attended the initial meeting held in the rooms of the Insurance Brokers Association in New York City and such was the interest displayed in the subject under review, "Practical Business Production Methods," that it was decided to hold another gathering Nov. 14, when problems in connection with tax recording by brokers will be considered. Brokers handling lines in different sections of the country are forced to pay close attention to the forms of taxation demanded in varying states and municipalities, to say nothing of the compilations required by the federal government.

New York Deputies Named

Appointment of G. H. Jamison, Raymond Harris and J. D. Whelehan as New York deputy superintendents is announced by Superintendent Pink. The first two will be at the Albany office. Mr. Whelehan will be at the office at 80 Centre street, New York City. Each has served on the staff of the department for a number of years. Mr. Pink has accepted the resignation of Lester Weil as attorney for the bureau of liquidations, conservations and rehabilitations.

Plans for consolidation of the liquidation work of the department also are announced by Mr. Pink. For some time the desirability of consolidating the liquidation bureau, the old National Surety in liquidation and the title and mortgage bureau has been recognized. This consolidation now appears practicable and Superintendent Pink expects to effect the amalgamation by Nov. 1, with liquidation activities centered at 160 Broadway.

Mr. Whelehan practiced law in Rochester until May, 1932, when he was appointed an attorney for the superintendent of insurance as liquidator of the Southern Surety. He served as attorney in the liquidation bureau until Aug. 2, 1933, when he was appointed special deputy superintendent in charge of the rehabilitation of the Bond & Mortgage Guarantee. When that company was placed in liquidation in December, 1937, he was named attorney for the superintendent as liquidator.

Mr. Jamison entered the department in 1918 as an examiner. His work as an examiner carried him into the life, casualty, fraternal, Lloyds and inter-insurers' fields. Prior to 1918 he had been in the liquidation bureau for four years as attorney. In 1920 he went to Albany as assistant chief examiner in the cooperative fire and life bureau. In 1923 he became chief of the bureau and carried on in that position until July, 1937 when he was appointed acting deputy superintendent. He is a graduate of Cornell University. Mr. Jamison will be the supervising deputy in charge of the licensing of agents, brokers and public adjusters and will assist T. J. Cullen, deputy in charge of the Albany office, in the administration of other affairs.

Mr. Harris assumes one of the two civil service deputyships in the department as a result of finishing first in a competitive examination for the position. He joined the department as a clerk in 1914 immediately following his graduation from New York University. In 1915 he was placed in the life bureau where he is now the ranking examiner. He received his training under Nelson B. Hadley, former chief of the life bureau.

In addition to continuing his regular duties as general counsel of the title and mortgage bureau, E. F. Keenan will take over the major portion of Mr. Whelehan's work with the Bond & Mortgage Guarantee. Mr. Keenan has always retained his legal connection with the old National Surety in liquidation and will continue in charge of the legal work of that company.

J. P. Traynor, deputy superintendent heretofore in charge of the administration of the liquidation units, will take active charge of the administrative work of the liquidation bureau and the title and mortgage bureau, combining this work with his other duties as deputy superintendent.

R. W. K. Anderson will continue as assistant special deputy superintendent in the work of the old National Surety in liquidation and A. C. Bennett continues in charge of the legal work of the insurance companies in liquidation at the 111 John street office of the department.

Linden Oil Fire Loss \$400,000

Insurance loss resulting from the burning of a number of oil tanks on the property of the Cities Service Oil Company near Linden, N. J., is figured roughly at \$400,000. The line, controlled by John G. Simmonds & Co. of New York City, and written at full tariff, is carried by companies in the Simmonds syndicate. The tanks of the Cities Service on the Jersey meadows are not far from those of the Sinclair Oil Company and the Standard Oil Company of New Jersey. While the Sinclair people carry insurance on their property, as does the Cities Service, the Standard has a sinking fund of its own to take care of losses and does not insure.

John G. Simmonds & Co. Inc., represents Pearl, Merchants Fire of N. Y., American Equitable, London Assurance, Northern Assurance, Atlas, Knickerbocker, Lumbermen's, Eureka Security F. & M., Philadelphia National, Albany, Washington Assurance.

Competition Now Eased

The recent announcement that the governing committee of the Interstate Underwriters Board had voted to extend the rules to permit coverage in warehouses at manufacturing plants with the understanding that any warehouse communicating with a manufacturing plant and cut off in a manner approved by the rating board having jurisdiction be considered as a warehouse has resulted in a number of agencies reviewing their I.U.B. business to ascertain whether any policyholders that have insurable value in warehouses at manufacturing plants are affected with the idea in mind that such locations be added to existing policies or upon renewal. Those who had not been connected with the Interstate Underwriters Board had given this protection and used it in competition.

May Withhold News of Fines

A resolution has been adopted by the executive committee of the New York Fire Insurance Exchange giving the arbitration or grievance committee the privilege of keeping as confidential information about penalties that are imposed if the violations fall within certain definitions.

The arbitration committee reported that appeals from rulings of that committee have been withdrawn by Brooklyn Underwriting Agency and Joseph Stein, broker. The committee revoked as to Stein the increased rate of commission allowed brokers who sign and observe the exchange pledge. Brooklyn Underwriting Agency had appealed from the committee ruling in the reinstatement of a suspended fine for alleged failure to cooperate with and assist the committee and for alleged failure to provide satisfactory evidence of the discontinuances of the violation.

The exchange adopted a change, permitting legal liability insurance on hotel keepers without coinsurance requirement and approved reduction in building rates of fireproof private dwellings. Rates, rules and forms were adopted for



AN ALL-AMERICAN GUARD

He never played a game of football. . . yet he's an All-American guard.

He's as all American as the pioneers who founded the company for which he stands and — hasn't he, these ninety years, guarded people from ruinous loss?

Our agents insist he's a bulwark of strength when the opponents attack the center of the line and they say he often drops out to

help them at other positions where help is needed most.

Would you like to have such a player* on your side? Just drop us a line at our Home Office and mention this advertisement. . . We will be glad to furnish further details.

. . . *the Old Man on the Fence, famous trade mark of the Ohio Farmers Insurance Company . .

■ OHIO FARMERS ■
INSURANCE COMPANY

Chartered 1848

LE ROY, OHIO

optional use of the builders risk or completed value form.

F. W. Kentner, Travelers Fire, was elected a member of the arbitration committee, succeeding A. H. Witthohn, Federal.

Lucas Wins Brokers' Medal

Julian Lucas, president of Davis, Dorland & Co., New York, has been awarded the gold medal of the General Brokers Association of New York for the most distinguished service to insurance during the past year. The award will be made at the annual dinner, Oct. 26.

Royal-Liverpool Guards Meet

The Royal-Liverpool Guards, those that have been in service of the group 25 years or more, reelected officers at their annual meeting and then were guests of the management at a reception and dinner in the Pennsylvania hotel. Members were seated at tables in groups arranged by the number of years of employment of each group. H. T. Cartledge, deputy United States manager and a trustee of Royal-Liverpool Guards, presided during the election. A. J. Johnstone is the president.

Report of Central Bureau

Earned and unpaid fire and casualty premiums in New York City last May, according to the report of the Central Bureau, aggregated \$92,507, greater by \$8,335 than the outstanding for the same period of 1937. Of the latest figures \$15,952 was due fire companies, and \$76,555 casualty offices. As is the practice a list of the delinquent brokers failing to acknowledge requests of the bureau for an explanation of the delinquencies, has been filed with J. L. Wood, head of the complaint bureau of the insurance department.

Quinn Address Examiners

E. M. Quinn, superintendent general cover and brokerage service department Commercial Union, spoke before the Fire Insurance Examiners Association this week.

Examiners can play an important part in the production of business, he said. This is especially true in developing reporting form contracts. From mercantile and inspection reports they learn that assured have stock in warehouses or other locations. By suggesting to the agent or field man a reporting form policy where the account is eligible, they not only protect the business on their books but also develop new premiums. Recently a broker, he continued, reported the loss of both the fire and casualty business from a client to a competitor who recommended a fire

reporting form. Specific policies are being picked up under reporting form contracts every week.

Broadened rules in favor of the insuring public make these forms more popular with the result that there has been an increased premium volume each year, he declared. In 1937 reporting form premiums were approximately 20 percent greater than in 1936 while the general fire premiums showed a decrease. For the first six months of this year, they continue to show approximately the same percentage increase over the corresponding period of 1937.

Frequently, when a field man visits an agency, it is not convenient for him to review all of the daily reports because of the agent's office system, he stated. Consequently, suggestions from examiners for prospects are welcome. In fact, where it is possible to recommend broader coverage, the examiner's obligation is three fold—to the agent—to the policyholder—to his company. It is not necessary to carry a brief case to produce business. Examiners are producers without portfolio.

General Manager Milligan Here

H. S. Milligan, general manager of the North British & Mercantile, arrived from London on the "Queen Mary" Monday for a visit to the New York and Montreal headquarters.

The customary October meeting of the Eastern Underwriters Association will be omitted this year, in view of the gathering of the executive committee early next month and the annual meeting in December.

Excelsior Contract Approved

The revised form of agency contract drawn up by President R. C. Hosmer of the Excelsior Fire of Syracuse is now being used by the company, following its approval by the department of internal revenue.

Carl Schreiner Returns to U. S.

NEW YORK—Carl Schreiner, president Pilot Reinsurance, is due to arrive in New York on the "Europa" Thursday after spending some time in Europe.

Gordon Y. Price, associated with the insurance firm of Coates & Coates, recently was married to Miss Elizabeth Smith, daughter of the late Dr. W. F. Smith of Little Rock.

Neal D. Sutherland and Jerry J. Murphy of Tulsa, Okla., organized the Sutherland & Murphy agency with offices in the Kennedy building, to represent old line stock companies and write a general fire and casualty coverage.

AS SEEN FROM CHICAGO

Brokers to Hear Federal Man

E. J. Ford, special assistant to the United States attorney-general, will conduct a discussion Thursday of this week at the annual meeting of the Insurance Brokers Association of Illinois. He will give some observations on the alleged monopolistic control of automobile insurance, associated with the financing of automobile purchases.

Ten names have been submitted by the nominating committee for election as directors. They are: G. H. Anderson, T. F. Coleman, C. E. Freeto, H. H. Holcomb, J. H. Moore, A. W. Ormiston, P. W. Petersen, Joseph Schwartz, J. M. Timmons and C. M. Varde.

Gail Reed has been appointed as delegate of the association to the insurance advisory council of the Insurance Federation. M. A. Myers was named as alternate.

G. H. Anderson at a meeting of the directors reported on negotiations with the National Bureau of Casualty & Surety Underwriters, looking to giving the Chicago branch more autonomy in rate matters so as to prevent delays.

Associate Members Named

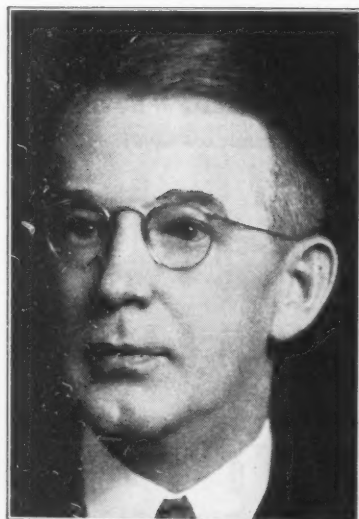
W. J. Sonnen, secretary Society of Life Members of the Fire Underwriters of the Northwest, announces the 1938 class of associate members, those having completed 20 years membership in the old organization. The annual meeting will be held Oct. 25 in the La Salle Hotel, Chicago. The class consists of: C. H. Anderson, Milwaukee, Home of New York; Robe Bird, western manager Michigan Audit Bureau, Detroit; H. E. Bowen, vice-president Michigan Investment Company, Detroit; W. J. Bozdech of Chicago, city superintendent London & Lancashire; G. W. Brinsmaid, assistant secretary Niagara Fire; E. C. Cady, Burlington, Ia., America Fore; J. T. Coen, Olney, Ill., special agent Home; D. P. Coffman, Lincoln, Ill., special agent New York Underwriters; R. E. Cropsey, Minneapolis, special agent National Fire; H. K. Dickinson, Chicago, assistant western manager Fire Association; J. D. Dux, Los Angeles; John R. Engle, Winchester, Ind.; R. L. Engle, Indianapolis, state agent Home; L. G. Farmer, Milwaukee, state agent Westchester; J. J. Fitzgerald, Indianapolis, secretary Grain Dealers National; H. H. Folkman, Decatur, Ill., state agent Connecticut; E. H. Garlich, St. Louis, special agent Glens Falls; J. E. Guy, Chicago, manager automobile department America Fore; R. V. Haser,

Chicago, special agent Ohio Farmers; W. C. Hodges, Topeka, manager Kansas Inspection Bureau; John E. Hoff, Chicago; A. E. Holm, Des Moines, state agent National Liberty; R. B. Hout, Cleveland, special agent Ohio Farmers; C. S. Hoyt, Sioux Falls, S. D., state agent Aetna Fire; W. S. Hutchins, Chicago; G. C. Huth, Columbus, O.; M. O. Jones, Columbus, O., state agent Fireman's Fund; W. M. Kelliher, Chicago, special agent London & Lancashire; E. C. Knoop, Louisville, state agent Aetna Fire; C. R. Lill, Minneapolis, state agent Sun; C. A. Lyons, Detroit, special agent County Fire; L. I. McKay, Detroit, manager Northern; H. B. Martin, Indianapolis, special agent Glens Falls; G. A. Mayon, Chicago local agent; J. A. Mayon, adjuster, Chicago; A. A. McKinley, attorney, Chicago; C. G. Olds, Detroit, special agent Glens Falls; T. A. Pettigrew, Chicago, manager Underwriters Adjusting Company; F. D. Row, Detroit, state agent Springfield F. & M.; O. P. Sachs, Columbus, O., special agent Sun; O. G. Schrup, treasurer Dubuque Fire & Marine; F. W. Shirer, Wheeling, W. Va., state agent Springfield F. & M.; L. H. Simonton, Denver, manager Mountain States Inspection Bureau; Fred C. Snapp, vice-president State Farm Fire, Bloomington, Ill.; R. W. Snyder, Louisville, general agent; W. H. Strossman, Louisville, special agent Hartford; L. H. Tanner, Chicago, special agent Home; W. E. Wollaege, president Concordia Fire.

Life Course for Brokers

A clinic on life insurance selling is to be conducted for general insurance brokers by the H. G. Swanson general agency, of the New England Mutual Life in Chicago, from Nov. 3 to Dec. 8. Sessions will be held in the agency office in the Board of Trade building Thursday afternoons from 4:30 to 6 p. m., with Mr. Swanson in direct charge. The course will stress the professional handling of life insurance in meeting the needs of men. To this end all brokers who are successful in passing this course will be awarded special certificates suitable for framing. These have been nicely prepared and are calculated to add to the brokers' prestige with his clients. The first meeting will be devoted to a study of life insurance as property and life insurance in action. There will be a guest speaker. The Nov. 10 meeting will cover provisions of contracts, description of ordinary life, retirement income and family income

PROMINENT IN OFFICIAL PERSONNEL OF TENNESSEE AGENTS



W. D. PETTIGREW, Knoxville
New President



W. S. KEESE, Chattanooga
Retiring President



LESLIE M. ROSS, Gallatin
Vice-President



JOHN D. SAINT, Nashville
Manager

contracts and their adaption; Nov. 17, continuation of this discussion and visualizing life situations, income options and their uses, with a guest speaker; Nov. 23, solution of life situations through life insurance, package selling, and a guest speaker; Dec. 1, continuation of the latter discussion, program selling, effective use of records, family check books, and audit and a brief explanation of the "C plus 1 plus 1/2 plus 1/4" and of "C plus 5"; Dec. 8, explanation of facilities which the agency offers, presentation of certificates and a guest speaker. There will be no charge for general insurance brokers.

Speakers Forum in Overflow

Due to popularity of the Exchange Speakers Forum which resulted in large registration, it has been found necessary to split the weekly meetings in two groups. One meeting will be held Monday evenings as heretofore and the additional meeting on Tuesday evenings. The stimulation of public speaking practice in the insurance business in Chicago through activity of the forum has resulted in organization of two similar groups in large fire insurance offices. There is room in the Tuesday evening session for a limited number of additional members. R. E. Baker, office manager Hartford Accident, Chicago, organizer of the forum, announces.

North America's Exhibit

The western department of the North America had sent to it some time ago from its head office a number of old fire marks that were placed on buildings insured by companies and other relics having to do with fire defense. They have not been on display in a conspicuous way but now a brand new case has been made. The interior is brilliantly lighted and the relics are on display near General Manager W. P. Robertson's office on the 12th floor of its western department in the McKinlock building, Chicago. The

North America's collection at its home office is one of the most extensive in the country.

Examiners to See Film

The Association of Fire Insurance Examiners of Chicago will hold its next meeting at De Met's Board of Trade Grill, Oct. 20. A dinner will be served. The film "Modern Magic in Fire Protection," produced by a sprinkler company, will be shown. It was planned to have this film shown following Fire Prevention Week, as it contains educational material on automatic fire control and portrays the striking advances that have been made in fire protection engineering. President P. W. Freilich of Corroon & Reynolds, will preside.

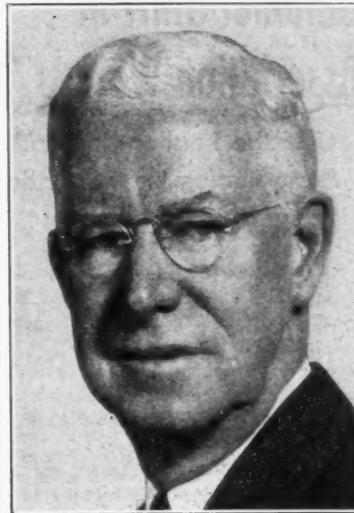
Marshall & Stevens in Chicago

A. J. Tierney, who has been connected with Marshall & Stevens, valuation engineers, on the Pacific Coast for the past five years, has opened a Chicago office at 166 West Jackson boulevard for this organization. Marshall & Stevens publish the "Marshall Valuation Service" and "Stevens Valuation Quarterly," which have a wide circulation among insurance men. Mr. Tierney, who was formerly connected with THE NATIONAL UNDERWRITER, on the Pacific Coast, will represent Marshall & Stevens in middle western territory.

Program Is Submitted to Palmer

The committee of the Chicago Board that has been charged with looking after the situation created by the demand of Insurance Director Palmer of Illinois that the expense ratio on fire business in Chicago and Cook county be held to 40 percent, had a meeting recently with Mr. Palmer and presented to him a suggested program for his consideration. Mr. Palmer has not yet indicated his reaction. The program involves changes in qualification for class 1 membership, telescoping of classes 2

Fifty Years



J. C. McKOWN

In recognition of his completion of 50 years' service with the St. Paul Fire & Marine, Secretary J. C. McKOWN was presented a solid silver service tray on which were engraved the facsimile signatures of more than 90 field men and associates at the home office. He also received approximately 250 congratulatory letters and telegrams.

and 3, and changes in the commission scale.

D. W. Chase, 88, for 62 years with the Middlesex Mutual of Middletown, Conn., died there. He went with the company in 1870, and was named assis-

Leonard President of Mutual Church

MILWAUKEE—A. W. Leonard, Jr., has been elected president of the Mutual Church & Home of Milwaukee succeeding Henry P. Magill, 81, founder of the company, who is retiring. Mr. Magill is also retiring as treasurer and director. Mr. Leonard is the son of a minister. His father is the prominent Bishop Adna W. Leonard of the Methodist Church. Mr. Leonard was educated in the University of Southern California and was prominent in insurance on the Pacific Coast prior to coming to Milwaukee some months ago to become vice-president and general manager of the Mutual Church. He organized the Leonard Company at Los Angeles, a brokerage office, handling church insurance and the National Church Properties Fire Underwriters, also a brokerage firm.

Was Air Line Executive

Before entering insurance Mr. Leonard was an air line executive. He served as traffic manager of the Western Air Express. Mr. Leonard is a popular public speaker and frequently appears on the lecture platform giving his chief address captioned, "Give Yourself a Chance."

Mr. Magill, who was a former banker, organized the church company in 1891. It was the first of its kind to extend fire insurance to church property. C. L. Hill of Rosendale, Wis., who is an agricultural leader, was elected vice-president and W. S. Peetzel, Detroit, secretary and treasurer.

tant secretary in 1882. From 1913 until his retirement in 1932 he was secretary.

Vice-president R. S. Buddy from the head office of Glens Falls was in Chicago for several days conferring with Vice-president Chester Hayden.

★ NORTH STAR INSURANCE COMPANY

90 JOHN STREET, NEW YORK 200 BUSH STREET, SAN FRANCISCO

Items from Financial Statement of June 30, 1938:

Capital	\$ 600,000.00
Surplus	1,671,165.04
Loss Reserve	216,152.05
Premium Reserve	1,739,856.61
All Other Liabilities	33,676.91

Total Admitted Assets . . . \$4,260,850.61

Securities carried at \$374,770.84 are deposited
in accordance with law.

Fire and Allied Lines Reinsurance



NATIONAL UNION

FIRE INSURANCE
COMPANY

PITTSBURGH
PA.

A
FRIENDLY



ORGANIZATION

A
GOOD AGENCY
COMPANY



Wolff Pleads for National Unity in Association Work

Chicago Leader Contends
State Bodies Must Sacrifice
Some Individuality

AKRON, O.—A plea for cooperation between state associations and the National Association of Insurance Agents was delivered by Allan I. Wolff, Chicago, past president National association, at the luncheon meeting during the convention of the Ohio Association of Insurance Agents.

After telling how the influence of F. B. Ayer, Cleveland, had gotten him started in active work in the National association, and how closely he had been bound to the Ohio association, Mr. Wolff said that he believes the National association is now at a point similar to that of the United States after the revolution. The state associations have previously gone along with their individual problems and in many cases the ties which bound them to the National association have been thin. Now, however, with national issues to be faced, the national body must act as a unit and hence it is essential that every strong state association must, even at a temporary sacrifice, surrender some of its individuality in order that the strength of the National association be preserved and increased. He drew the analogy of a single taxicab tying up traffic for the sake of a selfish gain. An organization, Mr. Wolff declared, is like a traffic officer who halts such practices for the greater good of a greater number.

Fight Federal Control

The greatest problem to be faced by the National association as a unit, Mr. Wolff stated, is the threat of federal control. Everyone realizes that the precedent for exclusive state control of insurance, the old and celebrated case of Paul vs. Virginia, hangs by a slender legal thread. A determined attack would probably result in overruling it. Particularly dangerous in inviting such attacks are unreasonable resident agency laws, which, in Mr. Wolff's language "prevent you or me from legitimately serving a customer in another state and earning 5 cents by doing it." Overhead writing is an evil which must be fought to a finish, maintained Mr. Wolff, but the remedy is not unreasonable laws which will destroy the agents through their own short-sightedness.

Mr. Wolff urged agents not to run to the federal government with their troubles, declaring that no one can predict where such interference will end. Evils can and will be cured by the business itself, otherwise regimentation and loss of all business freedom is the inevitable result. He cited the automobile finance business as an example, declaring that the skies are already clearing, with the companies finding it a losing proposition and the Illinois insurance department starting action which will probably be followed throughout the country.

Mrs. Wilfred Garretson Dies

Mrs. Wilfred Garretson, wife of the executive supervisor of the eastern department Fire Companies Adjustment Bureau, died at her home in East Millstone, N. J., after a prolonged illness.

The General Insurance Exchange, 701 Washington street, Gary, Ind., has been incorporated by T. M. Kitchen, Mary H. Kitchen and R. E. Richardson.

Plans Are Announced For Illinois Agents Annual Meeting

Plans for the annual meeting of the Illinois Association of Insurance Agents to be held at the Pere Marquette hotel in Peoria, Nov. 16-17 are being put in shape. There will be a special showing of the film, "Word Magic," which was featured at the National convention in St. Paul. This brings in Elmer Wheeler, who is sales consultant for the DuPont Company, Macys, Hotels Statler, International Silver Company, Johns Manville, Hoover Company, Texas Company and other large organizations, who has developed and applied successfully five important selling suggestions. He is author of "Tested Sentences that Sell." Preceding the showing of the film there will be an address entitled "Basic Principles for Successful Selling" by F. W. Potter, field representative of the Aetna Casualty & Surety which company offers the film with its compliments.

R. W. Forshay of Anita, Ia., chairman of the rural agents committee and member of the executive committee of the National Association of Insurance Agents, has again consented to appear on an Illinois program. Clarence W. Heyl, prominent Peoria attorney, will give an address at the banquet on "Our Great Achievement." A local boards and rural agents meeting is scheduled for the morning of Nov. 16, with Mark I. Hall, chairman of the rural agents committee of the state, in charge.

COMPANIES

Stockholders Group Seeks Receiver for Pavonia Fire

NEW YORK—As of Oct. 19 all outstanding liabilities of Pavonia Fire have been reinsured with Dubuque F. & M. A meeting of Pavonia stockholders will be held soon to decide about its future.

In compliance with a petition filed by three stockholders, Vice Chancellor Fielder has ordered officers and directors of Pavonia Fire of Jersey City to show cause Oct. 31 why a receiver should not be appointed. The chancellor has also been informed that a stockholders minority committee representing about 4,000 shares joins in the complaint.

The complaint alleges that Pavonia, for the benefit of officers and directors, bought 2,000 shares of Seaboard Fire of Atlantic City for \$65 to \$80 a share and sold to Pavonia for \$125 to \$140 per share.

This transaction, according to the complaint, depleted the assets of Pavonia by \$100,000 and Seaboard has been operated at an annual loss of \$5,000 to Pavonia. The business of Seaboard, the complaint sets out, was diverted to the Mets-Bloodgood agency of Jersey City, whose principals are also officers of Pavonia.

The complaint charges that the financial statement of Pavonia as of Dec. 31, 1937, fails to disclose a liability of about \$100,000 to the Lincoln National Bank of Newark and Hudson County National Bank, with which the officers have pledged stock of other companies. The complainants express the fear that Pavonia may become hopelessly insolvent unless the assets are administered by a receiver or trustee.

Pavonia started business in March, 1928. It has assets \$394,760, capital \$253,845 and net surplus \$30,308.

Seaboard Fire had assets \$300,101; capital \$200,000; net surplus \$84,795. It reinsured all business with Eagle Fire of New Jersey; Eagle Star, Dubuque F. & M. Fred L. Bloodgood of the

W. H. Menn Honored by the Home Folk at Los Angeles

LOS ANGELES—Over 100 members of the Los Angeles Insurance Exchange attended the dinner honoring their fellow member, W. H. Menn, who has been elected president of the National Association of Insurance Agents. He is held in high esteem by his competitors in this city. President Harry Perk presided. Previous to introducing Mr. Menn, he gave an adverse analysis of the constitutional amendment appearing on the November ballot for the state election sponsored by the Automobile Club of Southern California and the California State Automobile Club, consolidating three state departments into one, pointing out that it gives the clubs predominance that is detrimental to policyholders and will give the clubs control of automobile insurance.

President Menn stressed the National Association of Insurance Agents emphasizing its desire to have better qualified producers in order that they might more capably sell stock insurance. He urged members to make local organizations stronger. He pointed out the benefits derived from strong local boards. He urged members to take a deeper interest in their organizations, read their trade publications and other articles on insurance in order to service their clients in better form. T. Paul Moody was the only other speaker. He opposed the single tax ballot proposal. Attending the banquet were Eugene Battles, H. Everett Charlton, H. W. Magee, who attended the National convention at St. Paul, and B. J. Lynch, vice-president Cosgrove & Co.

Pink Names Subcommittee on Fire Policy Revision

NEW YORK—Superintendent Pink of New York held a conference Monday on the proposed revision of the standard fire policy. He acted in his capacity as chairman of the committee on standard fire policy revision of the commissioners association. Mr. Pink appointed a subcommittee to report to him prior to the meeting of the commissioners in Des Moines in December.

The subcommittee consists of R. P. Barbour, Northern of London, representing the National Board; Chase M. Smith of Chicago, National Retailers Mutual, representing the mutuals; H. D. McNairn, Ontario superintendent; Julian Lucas, Davis, Dorland & Co., New York, representing the brokers, and C. E. Ryan, chief examiner of fire companies for the New York department.

Mets-Bloodgood agency, Jersey City, has been president.

James A. Mets is president of Pavonia Fire. Its business has been largely reinsured, mainly with Dubuque F. & M.

Greteman Credit Manager

N. J. Greteman, former West Union, Ia., banker, has become credit manager of the Dubuque Fire & Marine and National Reserve, Dubuque, Ia.

Fire Association Pays Extra

A regular dividend of \$1 and an extra of 50 cents per share has been declared by Fire Association, payable Nov. 15 to stock of record Oct. 21.

LaFonclere of Paris, a reinsurance company, is withdrawing from this country. The Utah Home Fire assumed the unexpired term of risks in force.

Jarvis Woolverton Mason, advertising manager of the National Fire, is now able to put in a full day at his post again, after being out for more than a month with influenza and pneumonia.

Tennessee Agents Attack Casualty Rate Situation

Conference Called for Oct. 24 Following Annual Convention in Nashville

NEW OFFICERS ELECTED

President—W. D. Pettigrew, Knoxville.

Vice-president—Leslie M. Ross, Galatin.

Secretary—J. Earl Seaton, Jackson.

Treasurer—Mark Bradford, Nashville.

New members executive committee—W. M. Harris, Johnson City, and H. A. Bradford, Union City; N. C. Maney, Murfreesboro, reelected.

John D. Saint continues as association manager.

Planks in the Tennessee Association of Insurance Agents' platform for the ensuing year determined on at the annual convention held in Memphis were: Amicable adjustments between companies and agents toward stabilizing competitive conditions, enlistment of a larger, more active membership, and organization of local boards underwriting the Business Development Office. It also was stressed that something similar to B.D.O. is needed in the casualty business, and the association will undoubtedly support such a movement. Officers emphasized this need in their reports, as did Sidney O. Smith, Gainesville, Ga., chairman executive committee, National Association of Insurance Agents. He discussed other important trends affecting agents, urging maintenance of the National association influence.

Calls Conference Oct. 24

President-elect W. D. Pettigrew called a general conference of casualty agents to meet in Nashville the evening of Oct. 24, at the Hermitage Hotel, to survey the casualty situation in the state. It was the consensus that casualty conditions are demoralized and the association should concentrate in the next year on restoring order. A special casualty conference committee appointed by Mr. Pettigrew under Mr. Keese will be one of the most important and active.

A. R. Menard, assistant director of B.D.O., New York, reported on the work done so far and urged Tennessee B.D.O. committees to make full use of material provided by his office. The work in the states must continue as a joint enterprise of company representatives and local agents, he said. It is on the program also to make B.D.O. a sales aid.

R. M. Simmonds, chairman Tennessee B.D.O. central committee, reported work in the state is divided in eight zones. So far it has been largely educational, but hereafter methods by which stock company agents can induce the insuring public to be their main reliance in the better security offered by the stock companies will be emphasized.

Hold Discussion of B. D.

General discussion of B.D.O. followed. Dwight Peel of Benton, Ky., past president Kentucky Association of Insurance Agents, described work in his state, where there are ten zones. C. C. Mitchener, Marianna, Ark., secretary Arkansas association, spoke briefly on B.D. work in his state. In the open forum, Mr. Menard told of accomplishments in other states at B.D.O. zone meetings. The first session of the con-

vention was featured by the address of Sidney O. Smith. President W. S. Keese, Jr., Chattanooga, in his annual report called for purging the insurance business of the unfit agent, and said companies should not foster unprofitable agencies.

Addison Sessions, prominent Okmulgee, Okla., local agent, gave an inspirational address. Any community and agents' organization can accomplish much if they pull together and have sincere belief in the purposes and influence of their organization, he said.

In the second session, the administration report was presented by W. D. Pettigrew, chairman executive committee. He told of the movement which led to appointment of Manager Saint and detailed work done. The leaders, he said, have demonstrated to all agents that the association does not discriminate between agents or towns and is a democratic organization trying to serve individual needs of members, large or small. A result of revival of association spirit has been greater prestige with the insurance department, placing the organization in a position to negotiate for reforms when backed by statutory authority.

Discusses Casualty Situation

"A preliminary study has been made of confusion existing in the casualty business, and the first meeting on this perplexing question is scheduled for this month," he said. "A definite program of correction is under way to establish a more orderly conduct respecting the various casualty lines."

The association assisted in modernizing the Memphis, Knoxville and Nashville exchanges, and organized exchanges in Johnson City, Jackson, Dyersburg, Morristown, Murfreesboro, Lebanon, Union City and Franklin. Chattanooga has had an active exchange for years.

The association has made an agreement with stock companies in both recording and farm writing departments, to discontinue any connection with agents or solicitors who are licensed non-stock agents. Mr. Pettigrew expressed the association's thanks to farm writing special agents who cooperated in the move to separate mixed farm writing agencies.

Hold Breakfast Conference

A breakfast meeting for discussion of local board affairs started the proceedings the final day. An executive session then was held. Local board officers or other representatives presented reports showing how rules had applied and how they affected conditions in various towns. Practically all have produced satisfactory results.

Mark Bradford, Nashville, presided. Officers and representatives of local boards reported. C. W. Schley, president Memphis Exchange, convention host, gave an inspirational talk on local board activity. The Memphis Exchange for many years has been of great benefit to the business. President A. V. Patton, Jackson Exchange, reported much good work done in clearing up bad competitive practices, fieldmen and companies cooperating fully.

J. K. Clayton reported as president for the Murfreesboro Exchange rapid strides made as soon as the board was formed.

Rules Functioning Well

How the single agency and in-and-out rules function in the Chattanooga Exchange was told by W. C. Brown, president. All the 53 stock agents in the city are members. The Johnson City Exchange also applied the in-and-out rule, President W. M. Harris reported, and has resulted in clearing mutual agencies, and nearly cleaning out part-timers. Russell Briscow, president Knoxville Exchange, reported similar progress. Activities of the Dyersburg board were reported by W. H. Fumbanks, president. The board has succeeded in stopping reinsurance of mutual business in board companies.

Every stock agent in Morristown is

a member of the exchange there, R. H. Bible, president, reported. This is a young exchange.

Others present at the breakfast meeting were A. G. Bennett, president Nashville Exchange, C. H. B. Loventhal, Nashville; Alexander Anderson, president Lebanon Exchange; H. A. Bransford, president Union City Exchange, and H. C. Channell of the Franklin Exchange.

The automobile safe driver reward plan was discussed, various agents telling their experiences with it. Some said it had been helpful, but others reported it had been detrimental in some cases. It was indicated the Tennessee association members generally were opposed to the plan.

The only resolution adopted was one expressing thanks to the Memphis local board and committees, which were in charge of arrangements.

Many Company Men Present

Registration was 275, including members, non-members, company men and guests from 14 states. There were 21 company officials present. The Tennessee association has 270 members, and is aiming at an enrollment of 500 by next fall. The rural agents program will be emphasized, and officers expect to secure additional membership from many small communities.

President-elect Pettigrew appointed three important committees: Casualty Conference—Will S. Keese, Jr., chairman; E. R. Lutz, vice-chairman, Knoxville; H. H. Corson, secretary, Nashville; H. G. McMillan, ex-officio, national councilor, Knoxville; W. U. A. Fire Conference Committee—Allan Fisher, chairman, Memphis; J. W. Oliphant, vice-chairman, Chattanooga; C. M. Hunt, secretary, Nashville; H. G. McMillan, ex-officio, national councilor, Knoxville; B. D. O. Agent Committee—H. Phelps Smith, vice-chairman, Nashville; Web C. Brown, Chattanooga; Vernon Sharp, Jr., Nashville.

Michigan State Was Featured at Dinner

LANSING, MICH.—Lansing Association of Insurance Agents launched its season's activities Tuesday night with a salute to Michigan State College, the rapidly growing East Lansing institution which has become a potent influence in the community. Three deans of the school and the football coach, Charles Bachman, who has made Michigan State College teams feared in all parts of the country, were among the speakers, explaining campus and athletic activities and paying their respects to the insurance business. The faculty men who spoke were: Fred T. Mitchell, dean of men; L. C. Emmons, dean of liberal arts, and R. C. Huston, dean of applied science. Tom King, end coach under Bachman and general manager of the Hacker-King-Sherry local agency, exhibited motion pictures of a recent State game.

W. O. Hildebrand, secretary of the Michigan Association of Insurance Agents, acted as toastmaster. Ray Throop, local board president, directed arrangements for the affair.

Arkansas Agents' Meeting

The Arkansas Association of Insurance Agents is arranging for a fall convention, it being in the nature of an insurance school.

G. S. Purifoy of Camden, Ark., president Arkansas Association of Insurance Agents, has bought the interests of his partner, L. M. Stern, in the agency of Purifoy & Stern.

Dolph Smith, Sr., of Crawfordsville, Ark., who died at his home, was one of the leading local agents of the state for 40 years. He was head of the United Insurance Agency. He was formerly a legislator and county clerk.

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NEWS OF FIELD MEN

Corroon & Reynolds Announce Changes

Important changes in the mid-western field staff of the Corroon & Reynolds group newly determined upon include the transfer of State Agent D. O. Haggerty from manager of the Kansas City branch office to be manager of the automobile department of associated companies with headquarters in New York City. He succeeds R. J. Smith, assigned to the Columbus, O., office, from which he will travel Ohio in association with State Agent W. J. Valensi and Special Agent Eliassen.

As head of the Kansas City branch Mr. Haggerty will be succeeded by J. C. Swisher, who has been Iowa and Nebraska state agent in Des Moines. Mr. Haggerty began his insurance career 20 years ago, serving successively with the Teutonia and Republic of Pittsburgh before associating with the Corroon & Reynolds group some years ago. He has traveled the central western states and has an especial knowledge of automobile underwriting. Mr. Swisher, too, is a familiar figure in western agency circles, and his promotion is tangible appreciation of the character of his work. For a time he will continue supervision over his present field in addition to the extended territory under the jurisdiction of the Kansas City branch.

FAREWELL DINNER FOR SWISHER

Field men and insurance friends of J. C. Swisher, Iowa-Nebraska state agent for Corroon & Reynolds, who is being transferred to Kansas City, will give a farewell party for him Oct. 21.

Georgia Field Men Elect

The Georgia Field Men's Conference has elected D. B. Rives, American, president; C. R. Wilcoxon, Home, vice-president; Bockover Toy, Scottish Union & National, treasurer, and W. P. Willis, America Fore, conference secretary. The executive committee consists of W. E. Stroud, Aetna Fire; H. M. Ladage, Travelers Fire; Dana Kilcrease, Fidelity & Guaranty Fire; W. A. Smith, Fidelity & Guaranty Fire, and A. F. Irby.

Joins the Burnett Office

W. L. Willett has been appointed special agent for the L. A. Burnett Company, general agency at Pittsburgh. He was previously connected with the Indemnity of North America and also the Pennsylvania Insurance Agency. He has had thorough experience in fire and casualty field work. The L. A. Burnett Company is general agent for five fire companies and three casualty companies.

Dance Joins Home Force

W. F. Dance, Jr., newly appointed special agent in Virginia for the Home, is a native of Richmond. Following graduation from the Virginia Polytechnic Institute in 1926, he was connected with the Southeastern Underwriters Association for the succeeding 11 years, after which he was employed by the Virginia Insurance Rating Bureau.

Install New England Officers

BOSTON—Newly elected officers of the New England Blue Goose were installed by Julius Graves of the New England Fire Insurance Rating Association: Joseph Atwood, most loyal gander; C. A. P. Johnson, supervisor; W. A. Sturgis, custodian; H. T. Hugar, guardian; J. F. Driscoll, welder, and F. E. Walls, keeper. D. L. Vigue, Great American, was made chairman of the membership and entertainment committee, to appoint his own committee. Reports were given of the grand nest meeting.

Martin President of Montana Specials

James W. Martin, special agent Great American-Phoenix group, was named president of the Montana Special Agents Association at the annual meeting held at Karst's Kamp. John Pratt, Northern Assurance, was named vice-president and Werner Bloomdahl, Hartford Fire, secretary-treasurer.

There was a joint meeting of the contact committees of the Montana Association of Insurance Agents and special agents.

Much time was devoted to reorganizing the committee on B. D. O. work in the state and very timely suggestions and recommendations were made by Howard Reynolds, state agent Home of New York in Denver, who was in attendance. The new committee named includes Malcolm MacLelland, Pennsylvania Fire, chairman; Larry Diring, Home of New York; Charles MacNeil, Royal-Liverpool, and Earl Jones, St. Paul Fire & Marine. Prompt action was taken to start a series of meetings throughout the state.

Out-of-state company men in attendance were Alfred Taggard and S. E. Rich, Glens Falls; Herbert Johnson, New Zealand, and Howard Reynolds, Home of New York, from Denver.

At the Blue Goose semi-annual meeting Most Loyal Gander George Newlon presided. The pond was honored by Mr. Reynolds, who as grand keeper called attention to the drive for mem-

Former Prominent Illinois Field Man Is Killed



R. S. TUCKER

R. S. Tucker of Chicago, who retired just recently as state agent in Illinois for the America Fore group, was almost instantly killed in an automobile accident near Elkhorn, Wis., while driving from Burlington to Beloit, Wis. He was 58 years of age. He served a few years ago as president of the Illinois Fire Underwriters Association.

Mr. Tucker was in the Illinois field for America Fore about 18 years. Previously he had served with the Chicago Board, had been manager of the Ohio Inspection Bureau at Sandusky and had traveled in several states for an oil insurance broker of New York. A son, Fred Tucker, is connected with Underwriters Adjusting in Muncie, Ind. Among the pallbearers at the funeral Tuesday were J. H. Macfarlane, secretary of America Fore in the western department; Clarence Myers, an attorney for Hartford Fire, and Austin L. Powers, a real estate man and insurance agent of Chicago.

bership that is being made by the grand nest. He was very much pleased to learn that the Montana pond had just received three applications, to make 100 percent membership of all in the state who are eligible.

A good fellowship banquet and dance was enjoyed, as well as horseback riding, fishing and other sports during the full two days.

V. W. McKinney Honored

V. W. McKinney, engineer America Fore, Los Angeles, was honored by the California pond for his work as general chairman for the Blue Goose grand nest meeting by voting him an honorary membership. The California pond will give its Hallowe'en dinner dance Oct. 28.

Michigan Pond Dinner-Dance

DETROIT—The fall dinner-dance of the Michigan Blue Goose will be held at the Downtown Club Nov. 4. Most Loyal Gander W. H. Wolf, American of Newark, and Welder W. T. Benalack, Michigan Fire & Marine, are making arrangements.

Credit Men Hear Swanson

D. W. Swanson, Milwaukee, state agent St. Paul Fire & Marine and president Wisconsin Fire Underwriters Association, will analyze the insurance statement advocated by the National Association of Credit Men for firms purchasing from members of the credit organization, at the first fall meeting of the Central Wisconsin Association of Credit Men in Oshkosh, Wis., Oct. 24.

Form New Mexico Puddle

A meeting of special agents and adjusters in New Mexico was held in Albuquerque to organize a Blue Goose puddle under the Colorado pond, with about 15 in attendance. Another meeting is to be held soon.

Conducts C. of C. Forum

The Oklahoma Fire Prevention Association took over the weekly Friday forum of the Oklahoma City chamber of commerce Oct. 14, as the highlight of the Fire Prevention Week program. Chief Raymond Granger of the Tulsa fire department was key speaker. Oklahoma City was reported in good condition by Secretary Will S. Eberle, especially as to oil well hazards, which are being kept down to a minimum, he said.

N. J. Field Club to Hear Explorer

The New Jersey Field Club will hold a dinner-meeting in Newark Oct. 24. Capt. C. J. MacGregor, Arctic explorer, will speak.

Hear Father Hubbard

Father Bernard Hubbard, "the Glacier Priest," spoke before the San Francisco Blue Goose Oct. 17 on "Alaska's Silver Millions." R. C. Gillette of Swett & Crawford presided.

Indiana Hard-Times Party

A hard-times party will be given by the Indiana Blue Goose Nov. 19, in Indianapolis. Prizes will be awarded for the "worst" costumes. The Indiana pond glee club will sing.

Two New Michigan Members

DETROIT—C. A. Nelson, Home of New York, and G. R. Mordo, Royal-Liverpool groups, were admitted to membership in the Michigan Fire Underwriters Association at the October meeting. President G. R. Edelman, Home of New York, presided.

Name Ohio B. D. Committees

D. P. Hague-Rogers, Eagle Star, who has been appointed chairman of the Business Development program for Ohio, has announced his committee: William Rardin, Agricultural, Cleveland; W. J. Gilsdorf, North America, Columbus; M. F. Johnson, Rhode Island, Columbus; R. W. Hukill, Fireman's Fund;

Thirty-six Years



P. J. MORIARTY, Detroit

P. J. Moriarty of Detroit, manager of the metropolitan department of the North British & Mercantile group, celebrated the 36th anniversary of his connection with the company Oct. 1. He has had a successful career in insurance since he started years ago in the western department of the Palatine at Chicago as an office boy. The late George M. Fisher was manager. The company was taken over later on by the Commercial Union. He then went with the western department of the Liverpool & London & Globe becoming superintendent of its loss department.

Howard DeMott was assistant western manager of the North British & Mercantile, W. J. Littlejohn being manager. Mr. DeMott had come in contact with Mr. Moriarty and persuaded him to go to the North British department as examiner. His brother, M. E. Moriarty, now Chicago metropolitan manager of the Great American, was then an examiner in the North British office. When the late James F. Joseph became vice-president of the Commonwealth, one of the North British fleet, he appointed Mr. Moriarty state agent in Michigan and Ohio. Later he went to Michigan as state agent of the entire North British group succeeding the late W. S. Abbott.

Norwood, and Herman P. Winter, America Fore, Canton. The chairmen and vice-chairmen also have been named for the 23 districts into which the state is divided.

Sunflower Puddle Activities

A good representation from the Sunflower Blue Goose puddle, Wichita, will attend the dinner-dance of the Kansas pond in Topeka Nov. 14. Tentative plans are being made for a dinner-bridge early in December.

J. K. Shepherd, Little Rock general agent, was reelected chairman of the fifth region, Boy Scouts of America, at a meeting in Meridian, Miss.

Miscellaneous Notes

Mingo Junction was inspected by the Ohio Fire Prevention Association, Oct. 13.

The Michigan Fire Prevention Association is inspecting Benton Harbor Oct. 20.

Neff, Hass & Bullard, 214 Sherland building, South Bend, Ind., has been incorporated by J. E. Neff, C. E. Bullard and C. E. Hess.

G. E. Judd has taken over the agency of Harry Bradley in St. Johns, Mich. Mr. Bradley lost his license at a hearing before the Michigan department recently.

Members of the Ashtabula, O., Insurance Board have voted to continue closing of their offices Thursday afternoons throughout the year. This is in line with action previously taken by banks, loan companies and other offices.

Says Farm Agent Must Help to Preserve the Market

AKRON, O.—"The best way to secure and retain improved facilities and a substantial farm premium income for local agents generally is to keep the farm business clean and out of the red. This will be done for the business as a whole and for the agents of this state as a whole when each individual agent assumes his share of the responsibility."

This statement was made by Dennis C. Smith of Chicago, executive special agent for the farm and hail department of America Fore, in addressing the annual meeting of the Ohio Association of Insurance Agents.

The farm business, he said, never has and never will permit of undue liberality. It must be supervised carefully and must be handled by local agents with courage and understanding. Every risk cannot be accepted and what appears to be desirable business cannot be handled in a manner that violates good farm underwriting.

The recent retirement of State Farm Fire of Bloomington, Ill., from the farm field, he declared, with a reported loss ratio of more than 90 percent, calls attention to the fact that the farm business cannot be successfully written with an inexperienced agency plant and at a deviation from tariff rates. The disastrous record of State Farm Fire, he declared, is more pronounced when consideration is given to the fact that its business was acquired on the basis of 15 percent commission to agents and fully deferred.

If the agent will always give the company the benefit of his doubt, Mr. Smith declared, and leave the borderline risk alone, he may assure himself of a good agency record.

Despite the fact that the majority of the farm agents are most cooperative in

their attitude, still there are producers who bring for all possible pressure to bear to secure for themselves special favors and concessions, disregarding the violation of good underwriting that their requests may convey. Agents of this type, he said, are the ones who are demanding unbridled liberalization in forms and drastic reductions in rates. They ignore the fact that the companies cannot give away everything but must retain the margin of safety indicated necessary by experience.

Hits Dabblers in Farm Field

Some agents, he declared, are seeking carriers for their farm business that do not consistently adhere to generally recognized good underwriting practices and who are not concerned with the general welfare of the farm business. "These companies are willing," he said, "to sell the farm business and the farm writing agents down the river for a few choice risks of another classification. They apparently know little about the farm business and care less; yet their lax attitude and the willingness on the part of a few agents to follow the lines of least resistance are doing violence to the record of farm business in Ohio."

A brief period of profitable experience, he pointed out, is naturally conducive to the development of a spirit of optimism and companies that previously shunned farm business are induced to seek the line. A highly competitive situation is developed and adherence to good principles and practices is relaxed. "It seems most unfortunate and unrighteous," he declared, "that both companies and the agents who stuck out the lean years and put up the fight to bring the farm business out of the doghouse should have to again suffer from the misdeeds of those companies who retired in confusion when the going got tough and from the thoughtlessness of those agents who disregard the welfare of their brother agents to whom the farm business is an important source of commission income."

Sees Need of Young Blood in the Agency Ranks

AKRON, O.—Probably the greatest need in insurance today is young blood in agency ranks, H. D. Winter, Canton, state agent America Fore group, told the Ohio Association of Insurance Agents. Representing the Ohio Fire Underwriters Association, Mr. Winter spoke at the convention on "Field Men and Agents Cooperating."

"I know of no better tonic for my own laziness," said Mr. Winter, "than to listen to the enthusiasm of a beginner in our business. He has not yet learned about the real or imagined ills and wrongs in our business and his time is, therefore, all occupied with working." Too few of the hundreds of capable young men graduating from college are finding their way into the insurance business. Mr. Winter declared that a number of leading agencies in Ohio are sadly in need of young blood, not only for their own good, but for the perpetuation of a business which has been built up over a period of many years.

Proper Use of Field Men

In Mr. Winter's opinion, field men have never been as sales-conscious in the past as they are now, and the field men of Ohio are exceptionally well versed in fire insurance. The high calibre of agents' force in Ohio has made it imperative that good men be sent to that state. While not every field man is a good salesman and some of them never can be salesmen, a special agent's knowledge of the insurance business should always be useful. In some cases his presence during an interview with an assured is very valuable. In other cases it may be detrimental, but in any event field men should be used in preparing material for calls on prospects. No person can carry in his head an exhaustive knowledge of every line of insurance. Unless field men are used extensively, an agent must be departmentized. A small agency naturally cannot do this, so use of field men is essential.

The inland marine business and the various forms of general cover contracts were cited by Mr. Winter as two specific examples of new lines which some fire insurance men resent as encroachments. Mr. Winter reminded his audience that the insurance business must be primarily operated for the benefit of the customer, that these lines are not fanciful schemes for separating assured from a few dollars, but answers to very real demands from the public, that they have been developed through years of painstaking and often costly pioneering and they represent measurable steps in the development of the business.

Springfield Well Represented

J. C. Harding, Chicago, vice-president Springfield F. & M., arrived Wednesday morning. In addition to Grant Bulkley, secretary, Chicago, whose talk on inland marine lines was one of the outstanding features of the convention, E. G. Frazier, Chicago, secretary, and Ross Tidrick, state agent, Columbus, were in attendance.

Joint headquarters for the New Amsterdam Casualty and United States Casualty were maintained by C. L. Harris, Cleveland, state manager, and T. E. Barton, assistant manager.

R. W. Harvey, agency secretary, G. A. Smith, assistant superintendent of agents, and C. C. Laffer, executive special agent, presided at the headquarters of the Continental Casualty.

North America group headquarters were in charge of V. L. Montgomery and A. T. Moyer, assistant managers, Chicago, and W. L. Gilsdorf, state agent, Columbus.

The Boston and Old Colony established headquarters under Earl Gibbs, assistant secretary of the western department at Lansing, Mich.

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EDITORIAL COMMENT

Speakers from Its Household

One of the interesting observations that one might make on the St. Paul convention of the NATIONAL ASSOCIATION OF INSURANCE AGENTS was the fact that almost all the program from beginning to end was furnished by its own members. There were very few what are generally termed "outside speakers." Even company officials were lacking on the speaking platform. It is true that some of the organization men were called in at group sessions to give talks and furnish information. However, the great bulk of the program, its main features and its chief provender, were provided by the local agents themselves.

It all goes to show that within the ranks of this great organization there is a variety of talent. A lot of it is of an exceedingly high order. There are some very profound speakers, men who have a researching, penetrating mind. There are others that have a sort of prophetic instinct. Certainly there are many that are becoming sales conscious. More and more we are beginning to recognize quite clearly that insurance is being merchandised. Therefore, scientific principles of salesmanship must be studied and applied in a particular way to

insurance selling in its various aspects.

Out of the men who are active in their state associations there have come forward those of leadership quality. Every state has brought forth workers of a distinct mold. They are proud of their occupation. They are willing to call it a business rather than a profession. And they want to make that business dignified and respected.

In choosing members of the executive committee of the NATIONAL ASSOCIATION OF INSURANCE AGENTS, 75 names might be selected over the country and out of that number a person could put his hand in a hat and draw forth the sufficient complement of names, all of which would represent men who would fill the position with signal honor.

In many ways a program at these annual and mid-year meetings has more meat in it for the men who are producing business if it comes from those who are working in the vineyard themselves, have learned their lessons, have had acquired a wealth of experience, who have tested methods and procedure and are willing to tell something that has been of particular value to them, to their fellows.

Attempting to Reform the Delinquent

THERE are very few habitual drunkards that reform. At times someone, feeling that he is particularly gifted with reform technique, will with great assurance undertake the changing of the leopard's spots. In almost all cases failure results.

Let us apply this illustration to the appointment of agents. The head office puts great pressure on field men to obtain agents in this place or that. The field already is glutted. The impression prevails that unless a field man is making appointments he is losing caste with his superiors. He feels the crack of the whip from headquarters and hence he is tempted to appoint people who are unworthy.

One of the greatest fallacies is securing new agents that have proved that

they were below standard in the past. An agent, for example, may be more or less of a chronic delinquent in paying balances. He may be one who is juggling with funds and engaging in all sorts of financial legerdemain in order to try to satisfy his companies and not force them to leave. Finally some of the companies quit the agency because they realize it is useless to continue. Along comes a field man of another company whose office has pushed him very strenuously to get an agent. He takes a chance on the discard. Later he regrets what he has done. He has done his company real harm. It never pays to appoint an agent whose sense of probity is not acute. A discard in the agency ranks is something to be shunned.

Weakness of Too Fulsome Introductions

A PRESIDING officer at a convention or at any other meeting needs to study the technique and mechanics of his position. A chairman can make or break an assemblage at times. Some people allow themselves to be placed in the position of presiding over a body when they have but little real ability and possess but few characteristics that

enable them to guide the procedure with ease.

One tendency that is frequently noted and which does much to cloy the proceedings with undue sweetness is the extended introduction. Some chairmen will give a biography of a man, of course reduced somewhat but still going back over his history telling what posi-

tions he has held, when he held them and his accomplishments in other fields.

The astute presiding officer picks out the highlights, the pertinent and vital points in a career merely to give the audience an insight into and background as to the speaker. A long-winded in-

troduction is annoying to the sensible speaker. It seems to place him in a false position. It glorifies him perhaps beyond his real worth. It becomes embarrassing to the audience. The clever chairman never overdoes anything and especially introductions.

Producers Without Portfolios

Frequently a speaker coins a very happy and clever phrase which really tells his entire story in a few words. E. M. QUINN of New York City, superintendent of the general cover and brokerage service department of the COMMERCIAL UNION group, in his talk before the FIRE INSURANCE EXAMINERS ASSOCIATION in his city recited at some length the function of examiners and told how

they from their desks can make suggestions to field men and agents that will produce business. Very often an examiner has the opportunity to point out the need for a broader coverage on a risk. Then Mr. QUINN properly said:

"It is not necessary to carry a brief case to produce business. Examiners are producers without portfolios."

PERSONAL SIDE OF BUSINESS

Mrs. L. E. Ellis, wife of the well known head of L. E. Ellis & Co., general agents of Des Moines, and Elton Ellis, Jr., have taken over "Lucretia's," an exclusive gift shop in Des Moines. A special feature includes the furnishing and placing of decorations for parties and planning affairs of this type.

Miss Helen Yakey, daughter of Byron Yakey, Wisconsin state manager Inter-Ocean Casualty, and John Graevenstine, son of Raymond Graevenstine, Wisconsin state agent of the Hanover, were married in Shorewood, suburb of Milwaukee.

Chris Kenney, St. Louis broker who was "tops" among amateur golfers there 30 years ago, the past week shot a five-over-par 77 to win the district senior golf championship for the second consecutive year.

John H. Eddy, head of John H. Eddy Co. agency, dean of the Boston Board and son of one of its founders, is celebrating his golden wedding anniversary.

R. V. Cartwright, Amarillo, Tex., local agent, has been chosen scribe of Khiva Temple of the Shrine there.

L. B. Blakemore, Ohio deputy superintendent of insurance, who was injured in an automobile accident in New Mexico some weeks ago, continues in a serious condition in a hospital in Cincinnati.

A. E. Holt, associate Iowa state agent of the Aetna Fire, is seriously ill in a Des Moines hospital with bronchial pneumonia.

John M. Jarvie, 38, Flint, Mich., local agent, died there. He was a native of Scotland and veteran of the world war as a member of the noted Gordon Highlanders.

G. C. Welch, Jr., 29, prominent Denver local agent, died near Steamboat Springs, Colo., from an accidental gunshot wound incurred while deer hunting. Son of Cliff Welch, one of Denver's best known and best liked local agents, young Welch had been asso-

ciated with his father in the agency bearing their name since his graduation from the Colorado School of Mines.

Carroll L. DeWitt of Bronxville, N. Y., has closed his house there and he and Mrs. DeWitt have driven to Daytona Beach, Fla., and will stay there until the first of next May. They have the same bungalow as they occupied last year. Mr. DeWitt retired as assistant United States manager of the Eagle Star a couple of years ago. His address at Daytona Beach is 600 Earl street.

L. W. Blann, Dallas, Tex., special agent of the North British group, and Mrs. Blann are the parents of a son, William Leslie Blann.

George F. Cox, Jr., Dallas, Tex., inland marine supervisor for the Liverpool-Royal group, was married to Miss Aylett Royall of Dallas.

Capt. Ed Jones, for many years Virginia state agent of the Hartford, now retired, is critically ill in a hospital at Selma, Ala., his old home town. He has long been a sufferer from asthma and has been accustomed for some years to spend his summers in Asheville, N. C., in quest of relief from that ailment.

George B. Townsend, Virginia state agent of the Norwich Union with Petersburg headquarters, is seriously ill in a hospital in Asheville, N. C. His wife is ill in Petersburg and has been unable to go to his bedside. He is a brother of I. T. Townsend, vice-president of the Life of Virginia.

C. F. Simonson of Chicago, who will be remembered as the rate expert who in days gone by constructed rating schedules, has received a letter from Adjutant Frank L. Erion, who formerly was manager of the insurance department of the Cudahy Packing Company. Mr. Erion says: "Some time between the years 1901 and 1906 while I was manager of insurance in the Cudahy Packing Company you published a schedule for rating packing houses which



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was predicated on a base rate plus specific charges for deficiencies. The specified charges for defects so effectively called attention to hazards that Mr. Cudahy decided to and did actually make corrections at the South Omaha plant which cost more than \$50,000."

J. W. Hosier, Jr., special agent of the Atlas in Virginia and northern North Carolina with Richmond headquarters, and Miss Helen Banks, clerk in the Virginia rating bureau, were married Oct. 15. Mr. Hosier was formerly special agent of the bureau.

H. J. Boyle, general manager of the Fire Companies Adjustment Bureau on the Pacific Coast, has been appointed a colonel on the staff of Governor Richard Leche of Louisiana. He was formerly a resident of that state.

E. J. Norton, Sr., of the Norton Insurance Agency, Macomb, Ill., Oct. 10 celebrated his 80th birthday and Dec. 11 will observe his 54th year in the insurance business. He started on that date in 1884 with the National of Hartford when he was manager of a lumber yard owned by his uncle. His idea was to supplement his income and he looked upon insurance selling as purely a sideline. At that time Harry F. Espenscheid of Danville, Ill., had charge of the state for the National. When the lumber yard was burned in 1906, Mr. Norton opened an office in the building which he now occupies. The agency was reorganized March 1, 1917, by Mr. Norton with Miss Jennie Norton and Miss Ethel May Norton as associates. Nearly all the companies in the agency have been represented there for more than 30 years. The Norton agency is a member of the National Association of Insurance Agents.

Assistant Insurance Director **Roy L. Davis** of Illinois has been spending a number of days in Minnesota on a hunting trip.

It is interesting to friends of **C. H. Coates**, who retired as vice-president of the National Liberty some years ago, to know that the November issue of the "Reader's Digest" will have an article by his son, Charles B. Coates, on the "Union of Tomorrow."

John H. Hellekson, Indiana state agent of the Springfield Fire & Marine, and Mrs. Hellekson have just celebrated their golden wedding anniversary. Mr. Hellekson considers October his most eventful month—having been born in October, commenced his life work for the Springfield in that month 61 years ago and having been married in October.

M. D. L. Rhodes, president Northwestern Mutual Fire, visited the Chicago office which was opened early this year with P. J. Brown as manager. Mr. Rhodes stopped in the city en route to the convention of the National Association of Mutual Insurance Companies at Syracuse, N. Y., where he was one of the principal speakers. He went on to New York City and also stopped off at several branch offices before returning to the home office.

W. L. Polk, vice-president of F. D. Hirschberg & Co., St. Louis, has joined the hole-in-one club. He negotiated this goal of all golfers on the 165-yard 7th hole at the St. Louis Country Club.

Ralph B. Denny, president of Union Mutual Fire of Montpelier, Vt., died at the age of 67. He had been with the company since 1899.

William Rodiek, Sr., of St. Louis, well known local agent, celebrated his 35th anniversary as an agent of the Concordia Fire, Oct. 14. A dinner was held in his honor, President W. E. Wollaeger of the company acting as master of ceremonies. Mrs. Rodiek was present and the son, William Rodiek, Jr., as well as the daughter, Miss Sophie Rodiek. Rudolph Stuckenberg, a member of the

firm, and his wife were present as well as Albert Meyer and his wife. State Agents F. E. Hoffman, Jr., and John Battershill of the Concordia attended the function.

One of the very important insurance social events of the month will occur Saturday when Miss Antoinette Corroon, daughter of Mr. and Mrs. R. A. Corroon, will be married to Donald V. Reed in the Church of Cure of Ars at Merrick, L. I. The ceremony will occur at 11 o'clock in the morning and at noon Mr. and Mrs. Corroon will be the hosts at a reception at their residence, Massapequa Manor at Massapequa, L. I.

Program Completed for Arizona Meeting

PHOENIX, ARIZ.—The program for the annual meeting of the Arizona Association of Insurance Agents to be held in this city at the Hotel Westward Ho, Nov. 5 has been announced. Verland M. Haldiman of Phoenix is president and will give the report of the administration and J. C. Miller of this city, secretary, will present his report. The National association is supposed to send a representative. Among those who will give talks are Spencer Kimball on "Why small town agents are not interested in the association," D. B. Goldsmith of San Diego, president California association; Everett Jones, who will speak on the agency licensing law; Roy Rummage, secretary Arizona insurance department; E. L. Thomas, manager Fire Companies Adjustment Bureau, and Harry Talmadge will talk on "Relationship of Companies, Agents and Brokers."

Springfield F. & M. Man Wins

NEW YORK—The Edward Roche Hardy prize for 1938 has been awarded John H. Sherley, of the Springfield Fire & Marine, head office, who completed this year the fire branch of the Insurance Institute of America courses. Each year the educational committee of the institute makes this award of \$75 to "most distinguished student" of a graduating class.

Trice and Aris Golf Winners

CINCINNATI.—U. L. Trice, southern Ohio manager U. S. F. & G., won the annual trophy for agents in the Cincinnati insurance men's golf tournament. W. M. Aris, southwestern Ohio special agent America Fore, won the golf bag offered as first prize for field men. Mr. Trice and Mr. Aris played together and there are rumors of collusion.

Hannah Moving to Coast

BOSTON—C. C. Hannah, second vice-president of the Fireman's Fund group, is leaving Boston next week where he has been in charge of the eastern department and will go on to San Francisco where he will make his future home. He will be in Chicago a few days visiting Western Manager E. D. Lawson and his associates.

Mr. Hannah was given a farewell dinner by members of the Boston Board. Frank A. Dewick of Dewick & Flanders was toastmaster and speakers included E. C. Stone, United States general manager Employers group; R. A. Sullivan, Hinckley & Woods, president Boston Board; J. F. Crafts, who succeeds Mr. Hannah as eastern manager of the Fireman's Fund, and W. E. Gildersleeve, Jr., assistant to Mr. Crafts. Willard C. Hill of Elmer A. Lord & Co., presented Mr. Hannah a set of golf clubs. Mr. Hannah expressed his appreciation of his many happy experiences in Boston.

Important Day for Palmer

Insurance Director Palmer of Illinois is receiving congratulations on the approach of an important day on his calendar—Oct. 25, his birthday and twenty-fifth wedding anniversary.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Oct. 17, 1938

	Par	Div.	Bid	Asked
Aetna Cas.	10	4.00	96	99
Aetna Fire	10	1.60	48	50
Aetna Life	10	1.25*	24	26
Agricultural	25	3.25*	74	78
Amer. Alliance ..	10	1.20*	21	23
Amer. Equitable ..	5	1.00	28	30
American (N. J.) ..	2.50	.60*	12	14
Amer. Surety	25	2.50	52	54
Automobile	10	1.30*	30	32½
Balt. Amer.	2.50	.30*	6½	7½
Bankers & Ship ..	25	5.00	92	95
Boston	1.00	21.00	620	653
Camden Fire	5	1.00	20	22
Carolina	10	1.30	23	25
Cont'l Cas.	5	1.20	31	32½
Cont'l New York ..	2.50	1.80*	35	36
Crum & Forster ..	10	1.00	24	26
Employers Reins. ..	10	1.60	48	50
Fidelity & Dep. ..	20	2.00	114	116
Fidelity-Phen. ..	2.50	1.80*	35	36
Fire Assn.	10	2.50*	63	65
Firemen's (N. J.) ..	5	.30	9	10
Franklin	5	1.40*	29	31
Gen. Reinsur.	5	2.00	38	40
Glens Falls	5	1.60	43	45
Globe & Repub.	5	.50	13	15
Gt. Am. Fire	5	1.20*	24½	26
Gt. Amer. Ind.	1	.20	8½	9½
Halifax Fire	10	1.00**	23	25
Hanover Fire	10	1.60	32	34
Hartford Fire	10	2.00	78	80
Home Fire Sec.	10	2½	3½	3½
Home Ins. (N.Y.) ..	5	1.60*	30	32
Ins. Co. of N. A. ..	10	2.50*	66	68
Maryland Cas.	1	3½	3½	4½
Mass. Bonding	12.50	3.50	56	58
Merch. com. (N.Y.) ..	5	1.70*	47	50
Natl. Cas.	10	1.00	23½	25
Natl. Fire	10	2.00	64	66
Natl. Liberty	2	.40*	8	9
Natl. Union	20	5.00*	121	126
New Am. Cas.	2	.60	12	13
New Hampshire ..	10	1.80	45	47
Northern (N. Y.) ..	12.50	5.00*	93	96
North River	2.50	1.20*	27	29
Phoenix, Conn.	10	2.50*	81	83
Preferred Accl.	5	1.00*	18	19
Prov. Wash.	10	1.40*	34	36
St. Paul F. & M.	25	8.00	212	218
Security	10	1.40	31	33
Sprgfield, F. & M.	25	4.75*	123	126
Travelers	100	16.00	445	460
U. S. Fire	4	2.00	54	56
Westchester Fire ..	2.50	1.60*	32½	34
U. S. F. & G.	2	...	17	18

*Includes extra. **Canadian funds.

Loss Draft Requirement in Financing Eliminated

ST. PAUL—A requirement that the name of the First Bancredit corporation appear on all loss drafts originating in connection with policies on which it had financed the premium has been eliminated, L. M. Lilly, president, announced in a letter to all insurance companies operating under the Bancredit plan.

Up to this time, he said, the rule has been deemed essential for protection in event of a loss of sufficient size to impair the security as represented by the collateral value of return premiums.

However, Mr. Lilly said, experience has shown that losses from this source are infrequent. Greater simplicity and ease of operation from the producer's standpoint result, Mr. Lilly said, and companies are relieved of the burden of handling financed accounts in a special manner so far as loss drafts are concerned. Also the change will make proceeds of loss drafts more speedily available to assured and mortgagees.

The change is not retroactive, but applies to all business originating subsequent to Oct. 15.

Wolle Sioux City President

SIOUX CITY, IA.—The officers of the Fire & Casualty Underwriters Association recently elected are:

Wm. Wolle, Buckwalter Co., president; Wm. Grandy, Jr., Grandy-Pratt, vice-president; Fred W. Colvin, Jr., secretary.

This board is the largest in Iowa, and is on a co-extensive basis. All dues have been paid to the state association, for the year beginning in September. With this record, and with the largest balance ever had in the treasury, the board expects to push an aggressive program locally and actively to work on a state legislative program.

Can Not Preside at Life Members Meeting



E. S. PHELPS, Burlington, Iowa

E. S. Phelps of Burlington, Ia., head of the Phelps Insurance Agency and former state agent of the North America, is at the Mayo hospital in Rochester, Minn., for observation and treatment. Mr. Phelps suffered an attack some weeks ago. His daughter is with him there. His son, Charles H., is associated with his father in the agency. Mr. Phelps is president of the Life Members Society of the Fire Underwriters Association of the Northwest, which will hold its annual meeting in Chicago next Tuesday evening. He will not be able to be present. W. H. Lininger of Evanston, Ill., retired resident vice-president of the Springfield F. & M., who is vice-president of the Life Members, will preside.

Argue Florida Agents Law Case Brought by Mutuals

TALLAHASSEE, FLA.—Arguments are being presented this week to the Florida supreme court in the case brought by the Federal Hardware & Implement Mutuals testing the validity of that section of the Florida agents law which requires that policies be written by commission-compensated agents. Commissioner Knott has refused to issue licenses to a number of representatives of direct writing mutuals and the Federal Hardware & Implement Mutuals brought this action in the name of one of its representatives. The supreme court took original jurisdiction.

Hollywood Midyear Meeting

General Manager O. T. Johnson of the Hollywood Beach hotel, Hollywood, Fla., writes THE NATIONAL UNDERWRITER that those who expect to attend the mid-year meeting of the National Association of Insurance Agents to be held in that hotel the week of April 1, should make their reservations early in order to get proper accommodations.

C. L. Clark Resigns

C. L. Clark, assistant secretary of the Celina group, Celina, O., has resigned. Mr. Clark has had a wide experience in underwriting and adjustment of claims, both fire and casualty, since 1910 when he was in local agency work at Menominee, Mich., and later with Marsh & McLennan at Minneapolis. He then went with the Hardware Mutuals, opening up the group's Canadian office at Winnipeg and became its leading manager, serving five years in Canada and three years in Newark. He has been at Celina 10 years.

J. B. Bullock, formerly associated with M. M. Moulton in the Moulton-Bullock Agency, Spencer, Ia., has opened a new office in the National Bank building.

American Equitable Assurance Company of New York
Organized 1918 Capital \$1,000,000.00

•

Globe & Republic Insurance Company of America
Philadelphia, Pa. Capital \$1,000,000.00 Established 1862

•

Knickerbocker Insurance Company of New York
Organized 1913 Capital \$1,000,000.00

•

Merchants and Manufacturers Fire Insurance Company
Trenton, N. J. Capital \$1,000,000.00 Chartered 1849

•

New York Fire Insurance Company
Incorporated 1832 Capital \$1,000,000.00

•

Sussex Fire Insurance Company
Newark, N. J. Incorporated 1928
Capital \$1,000,000.00



Sound—Progressive—Equitable

WRITING FIRE AND ALLIED LINES OF INSURANCE

Since organization this Group has paid losses in excess of
Two Hundred Million Dollars

Represented by leading insurance agents throughout the country

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PITTSBURGH

SAN FRANCISCO
KANSAS CITY

PHILADELPHIA
TRENTON

MONTREAL

92 William Street

Corroon & Reynolds
Incorporated
MANAGER

New York

Jones Elected Ohio Agents President

Urges Broader Scope in Its Service to Insurance Business

President McElroy of Ohio Agents Association Reviews Accomplishments

NEW OFFICERS ELECTED

President—L. Calvin Jones, Youngstown.

Vice-president—William A. Earls, Cincinnati.

Secretary-Treasurer—John A. Lloyd, Columbus.

National Councillor—Austin McElroy, Columbus.

New Trustees—F. E. Kirkpatrick, Columbus; P. W. Tribolet, Bellevue; I. D. Griffith, Girard. Holdovers, W. C. Hazlebeck, Portsmouth; Theodore Saford, Cincinnati; M. E. Hallinean, Springfield; Glenn Webb, Lima; E. S. Davis, Cleveland; E. F. Benson, Akron.

AKRON, O.—Austin McElroy of Columbus, president of the Ohio Association of Insurance Agents, in his annual report at its convention here, said that in the opinion of the officers and trustees there is need for a review and a reanalysis of the association's functions and activities. The membership as a whole has too little direct contact to know all the problems that arise. "Who directs the activities and where must the responsibility lie if the association is to move and grow?" Mr. McElroy asked. The association was reorganized five years ago and since that time has expanded greatly and made definite progress. If this is to continue, Mr. McElroy opined, new objectives must be set forth.

Streamlining Is Needed

President McElroy said as to the trend in the business as a whole the opinion seems to prevail that it needs to be streamlined. It has had the common fault, he continued, of thinking that the public recognized all its virtues and that there was no need to tell and retell the story.

(CONTINUED ON PAGE 34)

Agent Can Recoup Loss in Fire Premiums with Marine

AKRON, O.—Drawing a parallel between the use of streamlined trains to recapture railroad traffic and the sale of modern inland marine policies to recoup dwindling fire premiums, Grant Bulkley, Chicago, secretary Springfield F. & M., outlined the coverage and sale of a number of common inland marine contracts at the convention of the Ohio Association of Insurance Agents.

The subjects discussed in Mr. Bulkley's prepared address were the conditional sales floater, annual shippers' policy, morticians' floater, personal property floater, and the "hobby" policies, including the camera floater, stamp collection floater and scheduled articles floater. In most cases, Mr. Bulkley declared, the assured does not even know that such broad coverage is available and will not only buy quickly when the coverage is presented, but will tell others about it. That inland marine lines can be sold is evidenced by the fact that fire premiums in Ohio declined 16 percent in the years, while inland marine premiums increased 16 percent during the same period.

Prospects in Every Town

There is not a town in the state, continued Mr. Bulkley, which does not have an undertaker. A regular fire insurance policy will give only partial protection on his furniture, fixtures, materials, supplies and equipment, because a large proportion of this equipment is normally in use away from his premises. The average undertaker has sizable investment in various devices and decorations used in the conduct of a funeral. All this can be covered by a morticians' floater, protecting against fire, lightning, explosion, earthquake, windstorm, theft, collision, derailment or overturn of conveyance, collapse of bridges, flood and marine perils while on ferries. A mortician will still need his fire and windstorm insurance on his permanent furniture and fixtures and stock held for sale, but this policy should be endorsed to exclude coverage on equipments and supplies more specifically insured.

Deferred Payment Prospects

Merchants and manufacturers selling goods on deferred payment agreements will be found in virtually every town. Title to such property remains in the seller until the purchase price has been

paid and the seller consequently runs a risk of loss while the goods are in the hands of purchasers. The installment floater covers property sold on deferred payments or conditional sales agreements and also covers merchandise for a limited period when leased, rented, or sent out on approval. The policy includes transportation coverage and protects against fire while the goods are in the possession of purchaser. This may be broadened to include the perils covered by the extended coverage endorsement and some companies will also write theft protection. The rate is very simple, being built on the average contents dwelling rate, plus the extended coverage and transportation rates. The most popular form requires monthly reports on total outstanding unpaid balances, on which the premium is determined, but insurance may also be written on a certificate basis, under which the assured fills out a certificate when each individual item is sold.

Cites Ohio Valley Flood

Manufacturers, wholesalers and retailers who ship and receive goods constantly by freight, express and motor truck, Mr. Bulkley declared, have frequently balked at carrying insurance because they felt the carrier would be legally liable for any loss and that he would carry insurance. However, the Ohio valley flood provided graphic evidence that an "act of God" may occur and there were many cases during the spring of 1937 in which shippers had to stand losses because the carrier had done everything possible to protect the goods in his custody and the shipper had neglected to carry insurance. The shippers' policy gives broad coverage, at reasonable rates, the premium being determined largely on a judgment basis. A provisional premium is usually charged on the estimated shipments for the following 12 months, and this is adjusted by a report at the end of the year.

The personal property floater, said Mr. Bulkley, is having a phenomenal growth, because it gives a client what he needs and wants in one policy. It covers all personal property belonging and used or worn by the assured and members of his family living with him, against all risks in all situations, including summer and winter homes, while traveling, and also covers the children's property while

(CONTINUED ON PAGE 34)

Members O. K. Appeal to U. S. on Finance Issue

Support Lloyd, After Appeal by Allan Wolff for Moderation

By JAMES C. O'CONNOR

AKRON, O.—By overwhelming vote following open debate at the close of its convention, the Ohio Association of Insurance Agents ratified the action of its directors in urging federal investigation of the coercion of insurance on financed automobiles. A resolution to this effect was adopted after Secretary John A. Lloyd had defended it, and Allan I. Wolff of Chicago, past president National Association of Insurance Agents, had pleaded for moderation and avoidance of federal interference.

This action climaxed a record-breaking meeting throughout which it was evident that the Ohio association is determined to follow an aggressive program of fighting for what it believes to be in the interest of its members regardless of what others may think.

In his acceptance speech the new president, L. C. Jones of Youngstown, declared in every case in which the Ohio association and the National association had differed, the state body has always taken the position which its directors deemed best for the agents and that it will continue to do so.

Address of Wolff

The situation was brought to a head by the luncheon address of Mr. Wolff in which he asked the Ohio association to cooperate with the National association wholeheartedly and in which he specifically referred to the action of the Ohio body asking the federal attorney-general to include coercion of insurance in his action against a number of automobile manufacturers and finance companies under the Sherman anti-trust law. This, Mr. Wolff called a mistake, declaring it invites federal regulation of the whole insurance business.

(CONTINUED ON PAGE 33)



L. CALVIN JONES, Youngstown
New President



AUSTIN McELROY, Columbus
Retiring President



JOHN A. LLOYD, Columbus
Executive Secretary



W. A. EARLS, Cincinnati
Vice-President

The only organization of .. By .. and For Agents!

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It Represents The Agent's Viewpoint.
It Fights the Agent's Battles.

To every Ohio agent, the state Association is indispensable—
It is the last line of defense for your business.

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The OHIO ASSOCIATION of INSURANCE AGENTS, Inc.

Atlas Building, Columbus, Ohio

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acquainted
and



work together for more business!

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The Mercer Casualty Company

WRITING

CELINA, OHIO

Full Coverage Automobile

General Liability

Plate Glass

Correspondence invited from agents in Ohio, Indiana, Iowa, Kansas, Nebraska, District of Columbia, Maryland, Pa. and California

Department Heads Answer Inquiries

Raymond Rhoads and
L. U. Jeffries Speak Before
Ohio Agents

AKRON, O.—An established feature of conventions of the Ohio Association of Insurance Agents is a round table discussion of problems affecting the insurance department. It has become so popular that this year it was given a place on the regular program, instead of being held at a breakfast conference. Raymond Rhoads, deputy, and L. U. Jeffries, warden, answered the questions, which were largely concerned with part-time agents and solicitors.

Outlined Connecticut Plan

At the suggestion of Secretary Lloyd, Mr. Rhoads outlined the so-called "Connecticut plan" for licenses of part-timers, which the Ohio department adopted, with some variations, last February. Last year this plan was strongly endorsed by the Ohio association. Where an application for either an agent's or a solicitor's license discloses that the applicant is employed, the department will not license him unless he produces written permission from his employer to receive visitors and answer telephone calls regarding his insurance business during work hours. The basis of this requirement, Mr. Rhoads explained, is that an insurance man cannot earn his commissions unless he is available to serve his assured at all times. Following the installation of this requirement, applications for licenses decreased at least 20 percent.

Not Applied to Renewals

In answer to a question, Mr. Rhoads stated that the "Connecticut plan" has so far been applied only to new applicants and that old part-time licenses have not been disturbed. However, if a part-timer drops his license and seeks reinstatement, he must produce this authorization from his employer.

Questioned about the Pennsylvania requirement of insurance office experience or insurance schooling as a prerequisite for a license, Mr. Rhoads stated that this would be impossible in Ohio under the present law. He urged the agents to secure a solicitor's license for every office employee who deals with the public or who takes orders for insurance over the counter or by telephone. The public is learning of the agency qualification law, he declared, and the insurance department is frequently asked if some particular person handling insurance transaction has a license. If he or she has not, the department has no alternative but to report the matter to the local police. In some cases, embarrassment has been caused reputable agencies by this neglect. Another advantage of licensing employees is that it avoids difficulties in the event of the death, illness or absence of the agent.

Status of Automobile Salesman

Mr. Jeffries was asked whether an automobile salesman is violating the law if he quotes an automobile insurance rate, but does not actually make the sale or receive a commission. The answer was in the negative, since the Ohio law prohibits an unlicensed person from "procuring, receiving or forwarding applications" for insurance, but does not prevent solicitation. This last word is difficult to define, and Mr. Jeffries stated he was glad the Ohio law did not include it. In answer to another question, Mr. Jeffries declared that an agent cannot delegate his countersigning authority to an employee.

The American of Newark group was represented by Leo Kletzmann, assistant secretary, Newark; E. H. O'Connor, assistant secretary, Bankers Indemnity, Newark, and J. L. Crowley, vice-president, Bankers Indemnity, Cleveland.

Farm Expert



DENNIS C. SMITH, Chicago

Dennis C. Smith, assistant manager of the farm and hail department America Fore in the west, was the main speaker at the rural agents' breakfast group.

Personalities from the Ohio Convention

Company headquarters at the convention of the Ohio Association of Insurance Agents were spread out over all floors of the Mayflower hotel. All convention functions were held there and facilities were adequate to handle the record-breaking crowd. Meetings were held in the ballroom on the second floor and the luncheon and dinner meetings were in the adjoining banquet room.

* * *

Registrations had reached 465 by Tuesday afternoon, almost 100 in excess of the previous high mark established last year at Toledo.

* * *

American Surety had an exhibit of a model town, showing prospects for different forms of insurance and bonds. Headquarters were in charge of George F. Ainslie, Jr., New York, agency supervisor.

* * *

Fidelity & Deposit hospitality was under the wing of C. H. Kuhn, manager, and O. W. Schooley, assistant manager, Cleveland, and Franklin Roelle, manager, Cincinnati.

* * *

Elmer Heasley, Cleveland, manager Underwriters Adjusting, was the grand prize winner in the golf tournament. Monday afternoon, with a gross score of 73, First agents' prize was won by Theodore McCormick, Akron, and second prize by W. B. Kibble, Akron. A total of 50 prizes was awarded.

* * *

For the first time, headquarters were maintained by the Pennsylvania Indemnity. G. R. Dette, director of agencies, Philadelphia, was in charge, assisted by A. H. Alexander, state agent, Cleveland, and D. F. Rice, Cleveland manager. The company distributed handsome leather pocket books.

* * *

Royal-Liverpool group headquarters were in charge of M. H. Grannatt, assistant U. S. manager and J. W. Henry, executive special agent, Globe Indemnity, New York. J. H. Parks, manager Cleveland service office Royal Indemnity, and B. T. Duffey, manager Cleveland service office of the fire companies, assisted in dispensing hospitality. The spiral memorandum books of this group have become a feature at conventions.

* * *

D. E. Chilcote, secretary, New York, presided over the Corroon & Reynolds headquarters.

Lessons from Big Storm

Some Observations Made on the Lack of Tornado Insurance in New England

H. K. Schauffler of New York City, assistant manager of the National Board, in his talk before the Ohio agents drew some lessons from the recent storm that struck the north Atlantic states. He said that insurance offices from New Jersey to Maine have been deluged with applications for extended coverage endorsements following this catastrophe. He asserted that present indications point to a coming winter peak of four times as much property protected against windstorm and similar hazards as was the case in the summer. He spoke of the mobilizing of forces to take care of adjustments. In addition, sprinkler systems were impaired and in some cases foundations or walls weakened. Inspectors covered such emergency situations in amazingly short periods. He emphasized the value of an alert resident local agent in time of trouble of this sort. A claimant did not have to deal with some office at long range.

Insurance Service at Hand

Even before wires and highways could be restored the Fire Companies Adjustment Bureau and the companies were rushing reinforcements to facilitate prompt handling of claims. The National Board cooperated through the necessary machinery and equipment for a central clearing house on adjustments. Such emergency equipment, he said, is kept available at strategic points, ready to be rushed to any emergency spot. Thousands of new claims continue to pour in, he asserted, alongside the returning reports of early losses already settled.

The stock company service, he emphasized, showed its great value at a time like this.

Scope of the Big Storm

The average windstorm damage in all New England during the five year period amounted to \$300,000 a year. The total loss from wind and accompanying phenomena on this single September day is estimated as high as \$300,000,000. He said that the tragic part of the story aside from death toll is in destroyed homes and small businesses which were not properly covered by tornado insurance. The cost of damage and total loss in the case of boats and automobiles falls on but few owners due to the wide acceptance of the comprehensive policy. Factories also were widely protected. However, he said, in New England, homes and stores, perhaps more than in any other section, were not protected by windstorm in any form.

Experience, he added, is always a costly teacher. It would pay big dividends to every other state and community to learn from New England's example about the fundamentals of insurance which he characterized as prevention, standard protection and quality agency service. He referred to the prevention educational service that has been going to various communities through the National Board. He said that prompt payment of millions of insurance dollars by stock companies out

of ample reserves set aside for emergencies is not only a protection for the policyholder but for the community itself. New policies of comprehensive coverage issued by such companies, he said, will in turn guarantee the credit structure necessary to complete and operate each project.

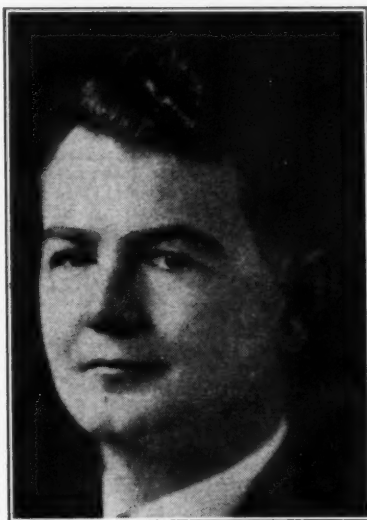
Quality Agency Service

Quality agency service, he said, is a fundamental too often assumed until disaster shows a fatal defect. Truly, he said, the 75 percent of New Englanders whose tornado hazards were not insured have reason to question the quality and completeness of their agency service. "When did the public come to agents begging for windstorm coverage on automobiles?" he asked. Yet, he said, three years ago only 15 percent of automobile insurance included comprehensive coverage while today over 75 percent of motor car coverage is virtually all risk. This, he said, is due to agency salesmanship.

Mr. Schauffler referred to the tools for education now in use. These consist in meetings of business clubs, credit men, real estate boards, radio, direct mail campaigns, advertising, local agents' preachment. He said that insurance must be a quality product if it is to be true to its very name.

He referred to the quality of insurance that New Englanders carried if they

Inland Marine



GRANT BULKLEY, Chicago
Secretary Springfield, F. & M.

Secretary Grant Bulkley of the western department of the Springfield F. & M. spoke before the Ohio agents on inland marine business, showing how it can be developed to raise the income of an agency.

were protected by tornado insurance. Losses and claims are being adjusted promptly and fairly and funds are being quickly available for rebuilding. The whole nation, he said, only prospers when each local structure has been soundly built, when the agents themselves in each community have laid a roof of prevention over a safe, honest framework of standard protection—the whole resting upon the solid foundation of quality agency service.

Ohio Convention Pickups

Sherman Drake, vice-president and agency supervisor, New York, assisted President Vincent Cullen at National Surety headquarters.

P. W. Kridler, Fremont, was chairman of the nominating committee, with P. W. Tribolet, Bellevue, and W. V. Hayes, Marietta, as colleagues.

R. C. Hosmer, president Excelsior of Syracuse, was in evidence throughout the convention.

Headquarters were maintained by the Pearl group, represented by C. E. Hawkins, Cleveland manager.

The Massachusetts Bonding headquarters proved to be a popular meeting place. Manager C. F. Stewart headed the delegation from Cleveland, assisted by Elmer Cottier, bonding superintendent.

ent; Arthur West, assistant manager in charge of casualty, and Sherman Heckman, claims superintendent.

Weather was perfect for the golf tournament, but a little too warm for the convention.

Home of New York was represented by D. H. Moore, assistant secretary National Liberty, and C. A. Borg, advertising manager, New York. H. H. Chittenden, Columbus, state agent, headed the Ohio field delegation.

Philip Beebe, Chicago, assistant general agent, F. I. Sipp, automobile and marine manager, and Roy Stark, underwriting superintendent, represented the Hartford Fire. Present for the Hartford Accident were F. E. Bradenbaugh, manager, Pittsburgh, and W. C. Smith, special agent, Columbus.

Elaborate headquarters were set up by the America Fore group, with E. A. Henne, vice-president, Chicago, in charge. Also present from Chicago were C. J. Lingfelder, assistant secretary; J. E. Guy, automobile manager, and Max Speth, Ohio examiner. From Cleveland came B. C. Sauer, manager Fidelity & Casualty, and L. J. Bradshaw, Jr., agency supervisor for the casualty company.

C. W. Swanson, Columbus, manager London & Lancashire Indemnity and R. W. Leedy, Canton, state agent for the fire companies, maintained headquarters for that group.

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The NATIONAL UNDERWRITER

October 20, 1938

CASUALTY AND SURETY SECTION

Page Twenty-five

Spencer Welton in Talk Tells Agents to Seek Old Paths

Present Policyholders Are Good Prospects for Additional Coverages

SPRINGFIELD, MASS. — Spencer Welton, vice-president Massachusetts Bonding, was one of the speakers before the annual meeting of the Massachusetts Association of Insurance Agents this week. Another speaker was Insurance Commissioner C. F. J. Harrington, who got his start with the Massachusetts Bonding. He congratulated the state on having a commissioner who knows company and agency problems as well as the public side of the business.

Mr. Welton said that his criticism of producers would be that too many are order takers rather than salesmen. He said that insurance has become essentially a business of salesmanship. He has long advocated a little guide which is supposed to contain a record of the assured, his coverages and also a record of additional coverages that he should have.

Business from Policyholders

The largest general agency with which Mr. Welton has personal knowledge wrote \$8,000,000 in premiums last year. The man who is head of it went into it 40 years ago when it was a small accident and health office. Evidently he was referring to W. A. Alexander & Co. in Chicago and spoke of Wade Fetzter as its head. When it came to a testimonial month, Mr. Fetzter said, "If you really want to make this testimonial month, one which will be a real tribute to me, devote it to working entirely among the present clients of the agency." That month was the largest in the history of the office, Mr. Welton said. The business which had been overlooked before and which was comparatively easy to get therefore came from assured who were already clients of the office.

Market for Fidelity Bonds

Mr. Welton characterized the insurance business as a department store but he said relatively few producers follow the department store method of selling. The department store each week selects a leader and pushes that hard. The leader brings buyers to the store and the salesmen get them to make additional purchases. There are many examples, he added, of progressive and cumulative salesmanship. Too many insurance salesmen, he said, merely give the assured what he asks for and not what he really should have.

Fidelity bonds, he said, warrant much attention these days. They are one of the most lucrative commission lines from the producers' standpoint, he declared. Once on the books a fidelity bond continues itself year after year. It can be

(CONTINUED ON PAGE 34)

California A. & H. Clubs Name Hanson

Los Angeles Man Elected President at Annual Meeting in San Francisco

SAN FRANCISCO—E. F. Hanson of Cass & Johansing, Los Angeles, was elected president of the California Association of Accident & Health Clubs at the annual meeting here. C. H. Thrift, Behrendt-Levy Insurance Agency, Los Angeles was elected vice-president and F. B. Alldredge, Occidental Life, secretary-treasurer. Under the setup of the organization, the executive personnel alternates between San Francisco and Los Angeles each year. The retiring officers, headed by G. V. Chandler of the General Accident, were all residents of San Francisco. George W. Kemper, Fireman's Fund, was general chairman for the meeting.

Breyer Makes Big Hit

Highlight of the session was the address of Sam T. Breyer of the General Accident in San Francisco on "How It is Done." Mr. Breyer, who has written more than 1,500 applications in the two years he has been with the company, averaging 60 applications a month, "cash with app," warned his audience not to try to sell policies for high amounts but rather strive for maximum sales of minimum amounts. He said that instead of selling health insurance, he sells "sickness insurance" and that he always talks "salary protection" to the wage earner and "income protection" to the executive. He stressed the value of personal service, stating that he delivers all claim checks to his clients personally and that from this source alone he receives innumerable prospects, utilizing the "endless chain" method. A large percentage of his business, he said, is written on the monthly premium basis.

Hospital Plans Discussed

Following the address of welcome by President G. V. Chandler and response by H. B. Johnson, president Accident & Health Managers Club of Los Angeles, Bert R. Jones, Maryland Casualty, San Francisco, discussed "Effect of Group Hospitalization and Medical Care on the Writing of Commercial Accident Business," reviewing the activities of various hospital association and group plans. In a general discussion as to the effect of these plans on commercial accident business, it appeared to be the consensus that producers should be educated to the necessity for supplementing these hospital plans so that assured would have full and complete coverage, rather than to permit them to assume that they were completely covered under such a plan.

Alfred J. Cleary, chief administrative officer of San Francisco, was the principal speaker at the luncheon. Guy C. Macdonald presided.

At the afternoon session L. E. Doyle, Massachusetts Bonding, Los Angeles, spoke on "Claims and Claimants"; Byron D. Williams, Connecticut General Life, Los Angeles, on "Medical Care: The Problem and One Solution," and F. B. Alldredge, Occidental Life, Los

Agents Should Avoid Surety Claim Work

C. H. McComas, F. & D., Gives Idea on Proper Attitude of Producer

The local agent should keep as far away from the active handling of surety claims as possible, according to C. H. McComas, manager and attorney claim department Fidelity & Deposit, who addressed the annual meeting of the Maryland Association of Insurance Agents in Cumberland.

The agent should be interested in the claim service of the company he represents but that service is much better where the agent promptly turns a claim which has come to his knowledge into the proper channels for adjustment.

The agent, Mr. McComas stated, is no more qualified to handle adjustment of losses than the claim man is to solicit and underwrite business. The agent should recognize that the claim adjuster is as capable of fulfilling his duties as the agent is his own and that the adjuster understands as well as the agent the necessity for prompt action and fair treatment in the building of good will and confidence among the clients.

Recommends Procedure

When a claim is brought to the attention of the agent, Mr. McComas recommended that the agent state that he has nothing to do with the handling of claims, that he will have the matter brought to the attention of the proper department which is capable and eager to carry out its functions. Some such statements as this puts the claimant in the frame of mind where he expects to receive fair and intelligent treatment. That helps the claim man dispose of the claim on a basis that is fair.

Agents, he said, are prone to charge the claim departments with employing "technical" defenses. "Often the idea of the agents and of the average claimant," he said, "seems to be that to fail to pay is to be technical. The fact is that the layman usually is not qualified to distinguish between technical and non-technical defenses."

Very often, where technical defenses

(CONTINUED ON PAGE 34)

Angeles, on "Existing Laws Regarding Non-admitted Accident Insurance Companies." H. B. Haas, assistant insurance commissioner, told of the attitude of the California department and its willingness to cooperate in settling any difficulties which might arise in connection with the operation of non-admitted accident companies in California.

Tribute to Fred Timby

"Cold Facts, Warm-overs and Hot Shots" by H. H. Kirschner, vice-president Kirschner & Co., San Francisco, dealt with advertising and the part it plays in the writing of accident and health business.

The members stood in silent tribute following adoption of a resolution to the memory of the late Fred W. Timby, former manager of the Preferred Accident in San Francisco, who had for years taken an active part in the association, serving as president of the state

Bennett Sees No Excuse for Lloyds Competition

Discusses Operations of London Underwriters at Missouri Agents Meet

W. H. Bennett, in addressing the annual meeting of the Missouri Association of Insurance Agents, made some observations regarding the competition of London Lloyds.

"When Lloyds are used in competition with American or foreign admitted companies," he declared, "the excuse for their operation, freed from supervision and without complying with the insurance laws as to other carriers, becomes non-existent."

He pointed out that there is, in most states, an authorized procedure for placing exceptional and risky undertakings with Lloyds.

"I find it hard to be sympathetically inclined toward a group of alien underwriters who generally refuse to comply with American laws," Mr. Bennett said.

Bringing Suit in London

London Lloyds, he said, brush away the argument as to the possibility that American assured might have to bring suit in England in case of a dispute. Mr. Bennett, however, cited the case of Philadelphia National Bank, which "was compelled to go to London at great expense and institute litigation there in order to have its claim presented to and passed upon by a court of competent jurisdiction."

"A vigorously contested suit resulted," he continued, "which cost the Philadelphia bank \$50,000 or more in cold cash to conduct the suit in London. At the end of the litigation, the bank recovered not one dime on its supposed policy of protection."

Cites Supreme Court Ruling

Mr. Bennett referred to the recent New York supreme court ruling that seven large New York City banks were violating the law in purchasing fidelity protection of their employees, in Lloyds.

"If this decision of a supreme court is sustained by the court of appeals," he said, "there will be brought about in this country a new conception of and respect for the insurance laws."

association as well as the San Francisco club. Regrets over the recent death of S. H. Beckett, California deputy commissioner, were also expressed.

J. A. Mullen, vice-president Standard Accident, who was a San Francisco visitor, was introduced.

Commissioner Goodcell was honored guest at the banquet and entertainment which concluded the session. On Saturday the members visited "Treasure Island," site of the 1939 Golden Gate International Exposition.

Keep Selling Agency Principle: Cullen

Otherwise Insurance May Overlook Superiority of Service, Coverage

AKRON, O.—Agents of stock companies must actively sell not only insurance and surety coverages but also the principle of distribution through agents if they are to meet the threat of competition from mutuals and others which would eliminate the agent's role. Vincent Cullen, president National Surety, declared at the meeting of the Ohio Insurance Agents Association. He urged his hearers to bear in mind the particular points where the agency system results in superior service to the insured and can supply him with a number of coverages that the mutuals cannot handle. These facts, he said, should be kept before the buyers so that they appreciate not only the convenience of dealing with a local agent but the full range of superior service which the stock insurance agent can give.

Mutuals Are Vulnerable

Mr. Cullen mentioned surety coverages as a point where the mutuals are particularly vulnerable, since there must be nation-wide service with representatives in every county seat to give the type of service which the large insurance buyer requires. To an important extent the same superiority in giving nation-wide service on other coverages can be effectively stressed, he said. It is necessary to keep selling insurance buyers on the scope of the stock agent's service to keep them from getting the idea that there is really no important difference between buying from a mutual or other non-stock carrier as against buying through a local agent.

Touching on competition from London Lloyds, Mr. Cullen pointed out that they can undercut American companies or regularly licensed foreign carriers because they do not have to operate under the conditions imposed on orthodox insurers in this country. All the important items of expense for one of these unlicensed carriers are such that they can readily market policies for 25 percent less than what the regular companies must charge.

Los Angeles Group Elects

LOS ANGELES—The Casualty & Surety Field Men's Association of Southern California has elected these officers: President, R. P. Wilkins, Fireman's Fund Indemnity; vice-president, F. T. Homer, Hartford Accident; secretary-treasurer, Richard Brumbaugh, Royal group. The president will appoint the executive committee later. The next meeting of the association will be held Nov. 14.

H. A. Behrens Is Speaker

H. A. Behrens, president Continental Casualty-Continental Assurance, Chicago, addressed the Continental Club, made up of employees of those companies, this week on the subject of "Interdepartmental Relations."

Improvement in Auto Accident Experience

Automobile fatalities decreased 22 percent the first eight months of 1938, according to the Aetna Casualty. In the 38 states from which statistics were compiled, automobile accident deaths totaled 11,086 for the eight months of 1938 as compared with 14,256 for the same period in 1937. Maine, South Carolina and Utah were the only states to show increases.

Foster & Messick Agency Honored at Gathering

More than 260 United States Fidelity & Guaranty and Fidelity & Guaranty Fire representatives—home office and local agencies—gathered over the weekend at French Lick, Ind., to honor R. A. Foster and J. E. Messick who as Foster & Messick have been managers for the companies for a third of a century at Indianapolis. As a special production testimonial Indiana and Illinois agents reporting to the office wrote over a third of a million in new premium business since April.

Three years ago a 30th anniversary celebration was held at the same place and it was without knowledge of Messrs. Foster and Messick that a group of agents met at Indianapolis last spring to plan the celebration, and went to the home office where they sold the officials on the idea.

Large Home Office Group

From the home office 12 officials attended, headed by President E. Asbury Davis and R. Howard Bland, chairman of the board, U. S. F. & G., and President F. A. Gantert of the Fidelity & Guaranty Fire. Others were: C. J. Fitzpatrick, vice-president and secretary; Jos. F. Matthai, Hugh D. Combs, S. Blount Mason, Jr., Phil F. Lee and H. F. Ogden, vice-presidents; Col. Stuart S. Janney, counsel, and Frank A. Doyle and Harry Helm, secretaries.

There were no business sessions. In talks at two dinners Foster & Merrick were eulogized.

Toastmasters were J. E. Martin, Peoria, the first night, and Ralph Hastings, Washington, Ind., the next night. President Davis paid tribute to the Foster & Messick office and the influence it has exerted on the company as well as territory under its jurisdiction. He also referred to the genius of the late John R. Bland, for many years president, whose son is now chairman of the board.

Mr. Bland reminisced, reading a letter which Mr. Foster wrote when, 20 years ago, he was invited by Mr. Bland's father to take an official position with the company at Baltimore but asked to be excused in order to remain out in the field where his interest lay. Mr. Foster has long been a director. On behalf of officers, Mr. Bland presented the agency a handsome wall clock.

Gantert's Home Coming

President Gantert of the F. & G. Fire expressed pleasure in returning to Indiana, where he began his field work. He announced the company is now admitted in all states.

Commissioner Newbauer of Indiana spoke of the high respect in which the Foster & Messick agency is held. Jos. G. Wood, secretary Insurance Federation of Indiana, told of influence of the Foster & Messick office for good of the business, particularly in respect to important legislation. He recalled that both Mr. Foster and Mr. Messick have been recipients of the Chandler Cup, which has been awarded annually for many years to the individual who has rendered outstanding unselfish service to the business. A number of agents also took part in the testimonial talks.

Badges worn by agents present indicated by color their terms of service with the companies, and there was a fair sprinkling of 30 to 40 year emblems.

Others on Program

T. L. Locke, of Slaymaker, Merrell & Locke, Indianapolis attorneys, was a speaker, telling of the long, pleasant relationship of his office with Foster & Messick. Col. Janney, from the home office, spoke briefly.

In responding, Messrs. Foster and Messick shared credit for their accomplishments with the home office and their agents, ascribing it to the fine relationship that has existed. John Messick's son, John, a law student, his

Washington National Annual Convention

More than 400 leading producers of the Washington National attended the company's annual convention in Chicago. All previous attendance records were broken. H. R. Kendall, chairman of the board, and G. R. Kendall, president, welcomed delegates. James F. Ramey, executive vice-president and secretary, announced that the company now has over 1,000,000 policyholders with an annual premium income of \$11,000,000. Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, Chicago, was a speaker at one of the accident and health section meetings. Gilbert Alexander, chairman of the board, and Carl L. Odell, president Allstate, were guests at the convention.

Following the sounding of an optimistic note for the accident and health business by Mr. Gordon, M. F. Houston, Kansas City, discussed "A Business Man's Canvass That 'Clicks'" at the accident and health section meeting, presided over by V. E. Nutt, vice-president. L. W. Secor, Des Moines, and H. C. Gilchrist, Pittsburgh, spoke on "My Most Effective Approach." N. D. Herdinger, of Evanston, Ill., in telling how to overcome the everyday objection "I'll Think it Over," said that the majority of agents were so anxious to make a sale that proper time is not given to analyzing the prospect. If that objection is raised, he said, it is evident that the agent has not approached the prospect properly or he would not have anything to think over. Mr. Herdinger asked how anyone could expect a prospect to dig down in his pocket for money to buy something he does not understand. Constant repetition of important points in the contract will do much to persuade the prospect that accident and health insurance is a vital need, he said. At the same time, he urged agents to point out to prospects the many different ways of paying for the contract.

Money With the Application

D. J. Roberts, Evanston, in discussing "How to Get Money with the App," said that the importance of the transaction is always enhanced by having the prospect pay when the application is signed. It also eliminates possible competition and puts the prospect in a happy frame of mind as he immediately feels the satisfaction that goes with possession. Since entering the accident and health field, Mr. Roberts said, he has found that commissions come more rapidly.

George Martin of Los Angeles, who is the company's leading life agency manager, showed a simple and convenient device for carrying the rate book, which he wears beneath his coat. He said it has considerably helped the personal appearance of his agents. The accident and health business, is a good index as to just who could be considered a prospect for life insurance. He pointed out eight points the agent should know about his prospect: name, address, occupation, age, insurance history, responsibilities, income and personal history. Mr. Martin distributed 15 prizes as a drawing. L. B. Hoag, San Francisco, in charge of the Washington National's largest accident and health agency, was introduced.

Others speakers included H. B. Kendall, vice-president, A. L. Hobbs, Omaha; J. E. Mitchell, Salinas, Cal.; Stanley Outwater, Denver; Russell Beach, Hanford, Cal.; H. E. Thompson and A. L. Turnberg, Minneapolis; J. K. Rollison, Richmond; H. G. McKenna, Great Falls, Mont.; P. P. McGarity, Charlotte, N. C.; F. W. Russell, St. Louis, and L. W. Rhodes, Chattanooga.

daughter, "Betty," and Mrs. Messick were introduced. Owing to illness Mrs. Foster could not attend.

A solid silver hour-glass, mounted on ebony, with appropriate inscription, was

New International Claim Association President



A. G. FANKHAUSER

A. G. Fankhauser, who was elected president of the International Claim Association at the recent annual meeting, is chief adjuster in the commercial and non-can claim divisions of Continental Casualty. He has had some 20 years' insurance experience. Until 1918 he was connected with the federal department of agriculture. In that year he went with Travelers in Columbus, O., as an agent and later was taken into the Travelers head office in the life, accident and group claim department. Later he was assigned to the Newark and then the Milwaukee claim offices. In 1922 he went with Continental Casualty in the claim department. His home is in Des Plaines, Ill.

New York Producers Approve Rating Plan

NEW YORK.—Officials of the State Agents' Association and of the various brokers organizations of the city voiced complete approval of the new plan for writing automobile bodily injury and property damage insurance in New York State after the program had been explained in detail at a gathering in the rooms of the National Bureau of Casualty & Surety Underwriters recently, and pledged their every aid to popularize the plan with assured. The new rates will appear in the automobile manual on or about Nov. 1. While no hint as to their nature has been given out officially, the speculation is they will show an over-all reduction for the state of close to 5 percent; the reduction for New York City being better than that as warranted by improved loss experience. All carriers, stock and non-stock, will adhere to the new plan, which has been sanctioned by the department.

Los Angeles Water District Bond

The Fidelity & Deposit, through its Los Angeles branch office, has written the bond for the Emsco Derrick & Equipment Co. of Los Angeles, which has been awarded the contract for 13½ miles of steel pipe for the Palos Verde water distribution system of the Los Angeles metropolitan water district at its bid of \$1,109,735.

The bond will be for 35 percent for performance and 50 percent for labor and materials. Fidelity & Deposit will reinsure a portion of the risk with six other major companies.

presented to Messrs. Foster and Messick by the agents. Employees of the office presented a signed testimonial of regard inscribed on parchment, and Peoria agents presented a poem appropriately mounted.

Sayer Warns of "All-Inclusive" O. D.

May Promote Unemployment as Industry Picks Physically Perfect.

A warning that the extension of compensation laws to embrace "all-inclusive" occupational disease legislation will promote unemployment was given by H. D. Sayer, newly appointed assistant director of the New York State Fund, in addressing the National Safety Council in Chicago.

Advocates of so-called "all-inclusive" coverage, he said, are deliberately seeking indefiniteness. The suggestion is put forth that it is futile for the legislature to attempt a definition or delimitation of occupational disease and, therefore, words of the most general character should be employed, leaving to the courts the interpretation of the law as they see fit.

"I submit," he declared, "that it is not the function of the courts to make up the legislative mind; that is the function, right and duty of the legislature. 'Just how,' he said, 'shall we define the term 'occupational disease'?"

"Are we to understand that any disease of the most ordinary risk of life may become an occupational disease if its source, or supposed source, had its origin in an incident of the employment or a condition there present, or if claim was made that a pre-existing disease had been aggravated by such condition? It would mean that industry would become liable for any ordinary disease of life, provided the disease could be, with a show of plausibility, related to a condition or incident of the employment."

Mr. Sayer asked that the question be made the subject of a study by safety engineers, industrial hygienists and medical science, from which a program may be developed that offers adequate and assured protection to employees and employers alike.

"Shall employment," he said, "be limited to those who are physically perfect? All humans are not examples of physical perfection, nor can we by legislative fiat reverse the laws of nature which immutably decree that we shall grow older with the passing years."

"Much is heard today of the dread forty-year-line for employment. Whatever the facts may be as to that it is not possible, if not probable, that industry, in desperation and against its desire, will be forced eventually to accept only those among whom the health hazards are least uncertain—the physically perfect, the young and the strong."

Final Bay State Rates in Week

BOSTON — No remonstrants appeared before Commissioner Harrington at the hearing this week on the tentative rates for compulsory automobile liability insurance for 1939. The commissioner announced that the final rates would be formally promulgated in about a week. He said consideration would be given to towns and cities where accidents had been charged up but where investigation disclosed motor cars were not actually registered in the cities in question.

Oklahoma Increase Denied

OKLAHOMA CITY—Increase of 6 percent overall in rates on automobile public liability and property damage asked by the companies has been denied by the state insurance board. The request has been before the board for some time and an exhaustive study was presented to it.

The increase was protested by the Oklahoma Motor Carriers. The action of the board means that rates will remain as fixed by the board last May.

It is likely the companies will be asked to make a new filing of their experience next March, covering the present year.

Aetna Peripherometer Demonstrated



The Aetna Peripherometer, newest of driver testing devices to be developed by the Aetna Life and affiliated companies, was given its first public demonstration at the National Association of Insurance Agents meeting in St. Paul. Shown taking the test are Misses Mary Belle Christensen and Helen Baldwin of St. Paul; J. W. Henry, Jr., of the Aetna general agency in Pittsburgh; John Cobbs, Aetna agent in Birmingham, Ala., and Harold Hammond, traffic engineer of the National Conservation Bureau. A second public demonstration was given at the National Safety Congress in Chicago last week.

George J. Heinz Is Honored at Dinner

SAN FRANCISCO — George J. Heinz, recently appointed superintendent of claims for the Los Angeles offices of the Commercial and Metropolitan Casualty, was guest of honor at a dinner here with about 50 members of the San Francisco staff in attendance.

Vice-president Fred W. Sullivan was toastmaster and speakers included L. R. Ogren, assistant secretary; Hubert Johnson of the accident and health department; Hugh Maguire of the automobile department; Examiner A. K. White of the fire division and District Manager H. H. Cobb of the Oakland office. Assistant Secretary A. V. Masi presented Mr. Heinz a traveling bag, a gift from his associates in the San Francisco office.

Parrish Gives Chicago Talk

Frank M. Parrish, general solicitor Association of Casualty & Surety Executives, discussed the activities of the claim bureau of his association at a meeting of the Casualty Adjusters Association of Chicago Wednesday evening.

Kemper's Ohio Agents Rally

The annual Ohio state-wide meeting of representatives of Lumbermen's Mutual Casualty was held in Columbus Monday with President J. S. Kemper in charge.

K. H. Crum, sales manager, and C. L. Stillman, general manager Workers Mutual Automobile of Milwaukee, conducted a sales conference at Appleton, Wis. William Burhop, Employers Mutuals of Wausau, was a banquet speaker.

Gregory & Appel of Indianapolis have leased new quarters on the ground floor of the Architects & Builders building.

W. M. Dukes, 70, prominent banker, insurance and real estate man of Centerville, Ia., died. He suffered a stroke four months ago.

Much Wrangling at Trial In Phoenix, Ariz.

PHOENIX, ARIZ. — Federal Judge Ling on the resumption of the trial of 13 former officials of the old Pacific Mutual Life denied renewal of motions for dismissal of the case, and for a demurrer against the sufficiency of the indictment.

At the opening of the session Assistant Attorney General Foster read the indictment to the jury and then there was placed in the records the written list of stipulations agreed upon by counsel for all sides.

The first government witness was Mrs. Ellen Heinze, who was secretary to S. F. McClung, one of the defendants. Practically the whole of one day and part of the next was taken up with wrangling among counsel over the admissibility of books and records.

The government called Russell Harriman, formerly assistant counsel of the old company, who testified regarding books and records, and W. A. Barr, assistant cashier of Union Bank & Trust Co., who gave testimony on banking matters.

The government, during the first two days of testimony, was laying the foundation for charges that some of the asserted frauds were committed through the formation of an employees' stock syndicate.

On the third day the reduction of interest rates on loans was brought to the front and reductions from 6 percent to 2 percent and others from 4 percent to 2 percent were testified to, with the information that it had been a practice of Los Angeles banks to make such reductions under certain contingencies.

This was brought out while the government was endeavoring to show that Union Bank & Trust Co. had loaned George I. Cochran and the George I. Cochran Corp. hundreds of thousands of dollars with the purpose of keeping 3,302 shares of stock of old Pacific Mutual from being placed on the market.

N. Y. Society Course on Claims Procedure

Medical Jurisprudence in Casualty Insurance Subject in New York

The Insurance Society of New York will this year offer a new course on "Medical Jurisprudence-Casualty Claims" designed to train company men, laymen as well as attorneys, in the administration of claims under liability, workmen's compensation, and accident and health policies. The general direction of the course will be in the hands of Dr. S. M. Lindenbaum, who for years has been consulting compensation claim analyst and hearing representative for insurers at the labor department. His committee associates are:

Carl J. Stephan, vice-chairman of the committee, secretary Loyalty Group; S. M. Hanse, district claim manager, Liberty Mutual; J. E. Lewis, vice-president Aetna Life; William MacInnes, manager casualty claim department American Surety; John McGinley, vice-president Travelers; F. M. Parrish, general solicitor claims bureau, Association of Casualty & Surety Executives; Daniel Reidy, assistant secretary Guardian Life; Leslie W. Winslow, president Accident & Health Club of New York.

Classes will be held Tuesday evenings from 6:30 to 8 o'clock in the board room of the New York Fire Underwriters, 85 John street.

Casualty Underwriters Meet

D. F. Idler, supervising underwriter of the Zurich in Chicago, discussed "O. L. & T. Problems in Metropolitan Areas" before a meeting of the Casualty Underwriters Association of Chicago. Robert H. Webb, president of the association, presided. Mr. Idler urged greater consideration be given rating problems as a means of reducing present high loss ratios.

W. J. Cressy Gets Three-year Term

W. J. Cressy, who was formerly one of the operators of the notorious Associated Adjusters of Milwaukee, has been sentenced to three years in the house of correction by Judge Neelen of Milwaukee. He was convicted of three charges of operating a confidence game in connection with a scheme whereunder he offered "home employment" to those who sent him \$5. Associated Adjusters were denied the use of the mails by the post office department some time ago. This concern advertised that it would teach men how to become adjusters for \$5, and then would assign to them adjustments which would produce an income of \$200 a month.

Check Auto Racket

BOSTON—A new state law has gone into effect providing a penalty of \$20 to \$200 and two weeks to two years in jail, or both, for registering automobiles from a false address. Investigations of federal agents disclosed that hundreds of cars were being registered from vacant lots, cemeteries, stores, etc., and even scows anchored at wharves, in the low insurance rated zones of Quincy and the south shore.

By registering cars from low rated zones owners saved on insurance premiums and avoided excise tax levied by cities.

A careful check of the number of fraudulent registrations indicates that fully 15,000 car owners have given false names and addresses the past year.

The seriousness of the situation has led to a movement among insurance offices to demand a showing of receipted excise tax bills as evidence of correct registration before issuing policies.

The government charged that the present indebtedness of the Cochran Corp. to the bank is \$140,000, partly secured.

ACCIDENT AND HEALTH

Business Man Buys; Powell Tells Why

The average business man buys—or at least thinks he does—instead of being sold, and in order to get results with that type of prospects it is necessary to understand their attitude in that respect and plan the interview accordingly, John M. Powell, president Loyal Protective Life, told the Columbus (O.) Accident & Health Association.

Self-confidence is characteristic of every successful business man. Such men, therefore, expect to make up their



JOHN M. POWELL

own minds in a transaction. They prefer to do the buying.

"What do you suppose the business man says when he goes home after someone has signed him up for a policy?" Mr. Powell asked. "Does he say, 'Well, Mary, Agent Jones sold me an accident and health policy today?' Not on your life! If he did, Mary's reply would most likely be, 'Why on earth did you let him do that?' No indeed! What he most likely says is, 'Well, Mary, I decided to take out a policy today that will protect my income if I should be laid up. I've been planning to do it for a long time.' In his mind you didn't sell him! He bought it."

Mr. Powell then took up the characteristics which will militate against an agent's success in dealing with business men of this type. After listing these things that are to be avoided, he took up the opposite side of the picture and declared that "if we are neat without being flashy, if we have a thorough knowledge without unduly displaying it, if we are sincere, if we are reasonably forceful and persistent, if we are confident but not superior, if we suppress our own importance as salesmen, and if we play up but not overplay the egoism of our prospect, then I say the business man will buy."

Raymund Daniel Takes Notes

Raymund Daniel, executive secretary of the Industrial Insurers Conference with headquarters at Atlanta, attended the meeting of the American Life Convention last week and hobnobbed with members of the Health & Accident Underwriters Conference, whose executive committee was meeting at the Edgewater Beach Hotel also. He is spending a few days in the office of Harold R. Gordon, executive secretary of the Health & Accident Conference in Chicago, making some observations as to the office machinery and procedure followed.

The Ohio Hospital Mutual Insurance Association of Orrville, O., has been incorporated by G. R. Kail and H. F. Peters of Orrville and J. A. Soquel, Barberton.

Bankers Indemnity Issues New Policies

The Bankers Indemnity has announced an entire new line of accident and health policies. The "popular" accident contract, covering death, dismemberment and reimbursement, has the "accidental means" clause. Specific indemnity is allowed for scheduled dislocations, fractures and amputations. Annual premium for men, ages 18-59, Class A, is \$16.70 for \$1,000 death indemnity, \$5,000 dismemberment and \$500 reimbursement.

The "reimbursement" accident form pays for specific losses on weekly indemnity basis. Total disability is covered for 52 weeks for "his" occupation and thereafter for "any" occupation, with two-fifths partial for 26 weeks. Annual premium for men 18-55, Class A, for \$1,000 principal sum, \$25 weekly and \$500 reimbursement, is \$28.20; women, same class, 18-59, \$36. The "retirement income" policy is quite similar, but has no death benefit.

The "new standard" accident form also has specific losses on weekly indemnity basis, and includes stated amounts for specified operations. Total and partial disability are on the standard basis, as in previous form. Annual premium for men, 18-49, Class A, is \$18.20 for \$1,000 principal sum and \$25 weekly. Hospital and nurse indemnity is 50 percent additional for 20 weeks. The "standard income" accident form is similar, but without principal sum. Premium is \$16.50 for same class and ages.

Other Forms Listed

In the "modern" accident policy, dismemberments are based on principal sum. Scheduled indemnity is allowed for amputations, dislocations or fractures, where there is no dismemberment or loss of sight. With \$500 reimbursement, annual premiums for men and women, employed or unemployed, ages 18-59, are: Class A, \$15; B, \$18; C, \$21.75; D, \$26.25. Accidental death indemnity may be included for additional premium.

Under the "special" accident policy, a limited form selling at \$12 a year for men and \$15 for women, quintuple indemnity is provided for certain losses. Monthly indemnity of \$75 a month is paid for one year for total disability for "his" occupation and thereafter up to four years for "any" occupation.

The "general" health policy pays for 52 weeks, with 14 days' elimination, house confinement not required. It provides 50 percent additional for hospital or nurse for 20 weeks. A schedule of operations is included. It is issued or renewed only while insured is carrying at least the same amount of accident insurance with the company. The annual premium, men only, ages 18-49, all classes, is \$6.50 for each \$5 weekly.

Michigan Life Has New Home Office Agency Setup

DETROIT — L. J. Treanor, executive vice-president Michigan Life, has reorganized its home office agency, which is now known as the metropolitan department. The department has been divided into three divisions, each with its manager.

J. E. Burke, life insurance counselor in Detroit for nine years, becomes manager of the life division. He has been in the field 15 years, formerly having represented the Sun Life in Toronto and later in Windsor.

J. P. Collins, supervisor of the hospitalization department, will also serve as manager of the group division of the metropolitan department. He is past president of the National Accident & Health Association and was agency supervisor of the National Casualty from 1929 to 1937, when he joined the

Federal Life & Casualty. He went with the Michigan Life this year to handle its hospitalization insurance.

G. E. Reitzel, group accident and health representative of the National Casualty in Detroit for 12 years, becomes manager of the accident and health division. He is now president of the Detroit Accident & Health Association.

Schoch Is Detroit Speaker

DETROIT—"The Sweet Land of Gimme" was described by H. K. Schoch, general agent Aetna Life, at the first fall meeting of the Detroit Accident & Health Association. Mr. Schoch, who is past president of both the managers' and underwriters' groups in the life field, is doing extensive research work in that field and gave the accident and health men some of the results of his research. President G. E. Reitzel, Michigan Life, presided.

Northern Life's New Form

The non-occupational accident policy of the Northern Life pays for 12 months total disability for "his occupation" and up to two years thereafter for "any occupation," with two-fifths partial for six months. Elective indemnity is provided for certain amputations, dislocations and fractures, with \$10 surgeon's fee for non-disabling injuries. Hospital indemnity is 50 percent additional for three months. The "fare-paying passenger" air travel provision is included. It is a non-rating form. Annual premium for \$1,000 principal sum and \$100 monthly indemnity is \$17.90 for men and \$22.90 for women.

Vest-Pocket Manual

The Standard Accident has recently published a vest-pocket rate manual for the use of its agents in selling accident and sickness coverages. Another new sales help is the pocket sales-guide for use in selling certain accident policies. It is made of celluloid with transparent windows which indicate at a glance the coverages available in various amounts of principal sum.

Offers Rural Health Plan

WASHINGTON—The Farm Security Administration has announced the most extensive group health plan ever attempted in the United States.

In North and South Dakota the FSA will offer medical protection for \$2 a month for each family. Approximately 77,000 families, limited to those receiving aid from the FSA, will be eligible.

The money will be paid to special state corporations, which in turn will pay the medical bills of participating families. Patients will select their physicians from a list of doctors cooperating with the program.

The Medical Hospital Fund has been chartered in Baltimore by J. L. Watson, Gladys M. Magin and H. C. Shelly.

Bonds for Navy Construction

Sixteen surety companies participated in the bonds required to be given by the New York Shipbuilding Corporation of Camden, N. J., low bidder on the construction of two tenders for the United States navy, one of them a seaplane tender at a cost of \$11,249,000 and the other a destroyer tender at a cost of \$11,947,000. The Philadelphia office of the United States Fidelity & Guaranty arranged the contract bonds. The seaplane tender contract called for a performance bond of \$1,687,350 and a labor and material bond of \$2,500,000. The contract for the destroyer tender involved a performance bond in the amount of \$1,792,150 and a labor and material bond of \$2,500,000, with an aggregate penalty of all bonds in the sum of \$8,479,500.

Another contract bond for the construction of a dock for the Navy Department with total contract prices of approximately \$2,000,000 for each of the four units was placed by McCollister & Campbell, Seattle, representing the U. S. F. & G.

CHANGES

Globe Indemnity Has Arranged Plans for Metropolitan Area

NEW YORK—Following the recent death of T. J. Grahame, first vice-president and manager of the metropolitan department of the Globe Indemnity, President A. Duncan Reid announces the appointment of W. J. Thompson as manager of the New York City offices, and of A. F. Connolly to succeed Mr. Thompson as head of the casualty department. The city offices are at 150 William street; the up-town branch at 1 Pershing Square and the Brooklyn branch at 16 Court street.

Both Mr. Thompson and Mr. Connolly have been with the Globe Indemnity for a number of years, and each has proved his worth. Mr. Thompson joined the organization in 1916, since advancing to successively important positions. After having charge of the New York development division for a time, he was made manager of the casualty department in 1932. Mr. Connolly's association with the company dates from 1921, when he entered its statistical department, later becoming assistant superintendent of the liability branch. In 1937 he was appointed assistant manager of the casualty department for the city offices.

U. S. F. & G. Claim Changes

Several changes in the claim department of the U. S. F. & G. become effective Nov. 1. Herbert Nickels, assistant manager at Pittsburgh, formerly in the home office claim department, is transferred to Hartford as superintendent of claims. E. C. Blackburn is transferred from Atlanta to Richmond, and L. Brent Wood becomes district supervisor at Syracuse, N. Y.

Opens Orlando, Fla., Office

The Indemnity of North America has extended its facilities in Florida by opening a service office at 513 Exchange building, Orlando, under the supervision of Special Agent J. J. O'Neill.

Goode Elected Secretary

R. B. Goode has been elected secretary and a director of the Allied Mutual Automobile of Des Moines succeeding Harold Evans, who was named president.

Brock & Allen Named

The Central Surety has appointed Brock & Allen, Seattle, as general agents for the state of Washington.

Savings Banks Forms

Manager M. W. Lewis of the Towner Rating Bureau desires that it be made plain that the recent rate reduction on bankers blanket bonds did not affect Forms 8 or 5 when issued for savings banks. The rate reduction applies to commercial banks only.

Taxi Group Self-Insurance

The city of Durham, N. C., recently amended an ordinance requiring operators of taxicabs and for-hire cars to carry liability and property damage insurance to provide that instead of furnishing liability insurance or surety bonds, the operators may form an association for creating and maintaining a sinking or trust fund to be used for the payment of claims and judgments brought against the drivers for negligent operation. The city requires the association to make a minimum payment into its treasury of at least \$10 a month for each vehicle operated, the aggregate payments to be not less than \$800 per month until a minimum of \$20,000 has accumulated, which must be thereafter maintained.

WORKMEN'S COMPENSATION

Favor O. D. Law of N. Y. For Bay State

BOSTON—The number of Massachusetts workmen insured under the compensation act has been decreasing in recent years as a result of the introduction of substitute schemes for the act, according to several witnesses who appeared before the special legislative recess commission appointed to make a study of the compensation act with special reference to silicosis and special hazards, at its first hearing.

S. B. Horowitz, counsel for the state Federation of Labor, told the commission the act worked well until 1929 when the need of reducing expenses became greater and employers took up substitute schemes. Employes were forced to resort to the courts to collect compensation and there was an increase in this type of suits.

Attorney Horowitz contended the act should be made compulsory without an amendment to the constitution, because recent rulings have tended to show the law is enforced under state police powers.

Granite Cutters Problem

Business Agent Pagnano of the Granite Cutters Union said he favored the compulsory idea for other workers but not for the granite industry, unless insurers guaranteed a premium of 6 percent. He said granite workers are forced to pay half of the 12 percent premium because employers cannot pay more.

John W. Downs, counsel for the stock companies, urged a law patterned after that in New York whereby a man must work for at least one year before he can receive benefits. Benefits after one year would amount to only \$500 but this sum is increased \$50 for each additional month he works until the maximum benefit of \$3,000 is reached. Michigan and Ohio have similar laws, he said. In Pennsylvania the maximum benefit paid is \$3,600 but the recipient must have worked with the concern in which he was injured at least 10 years before receiving the benefit. Mr. Downs argued industry and labor should be more interested in the prevention of silicosis and other dust diseases than in the amount of benefits.

Mr. Downs argued that the state could not operate a state fund for silicosis, as the quarry industry would yield only \$40,000 a year in premiums and a single case might run up \$10,000 in benefits, which would make it difficult for the state to keep the fund solvent.

William Doyle, counsel for Liberty Mutual, argued for the adoption of the New York system and declared his company is opposed to a state fund or self insurance of employers.

Fear Many State Fund Bills

Casualty companies and executives anticipate that there will be an unusually large number of bills introduced in the legislatures that convene next January for the creation of state workmen's compensation funds. The Illinois Federation of Labor at its annual convention about a month ago voted unanimously in favor of a state fund. It is known that a bill will be introduced in Maine. One of the hottest fights will be in Indiana, where the United States department of labor has been lending assistance to an organized movement for the creation of a state compensation fund there. It has been hinted that there will be rather strong sponsorship of a state fund bill in Iowa.

No Compensation for Overwork

The person who collapses from overwork has no claim for workmen's compensation in New Jersey, Justice Parker of the New Jersey supreme court held

in the case of Christopher Malley, who was stricken with a heart attack while making milk deliveries in Hoboken. The workmen's compensation bureau awarded him \$30 a week, the award being upheld by the Hudson county circuit court. He died while an appeal was being made and his estate continued the appeal.

"In homely phrase," Justice Parker ruled, "if the evidence shows anything, it is simply a case of overwork—the sort of case that arises every day, among all classes and in all kinds of work."

High-Low Waiver Not Sanctioned

Commissioner Goodcell of California has issued a statement that he has not approved any form of waiver of premium in connection with the retrospective rating plan for compensation. It is doubtful whether such waivers will be permitted at all, he said, and in any event no binding will be permitted until forms and rates are approved by the department.

Wrabetz Heads Industrial Boards

Voyta Wrabetz, chairman Wisconsin industrial commission, was elected president of the International Association of Industrial Accident Boards and Commissioners at its convention at Charleston, W. Va. Milwaukee was selected for the 1939 convention.

ASSOCIATIONS

Adjusters at Los Angeles Review Progress with Bar

LOS ANGELES — Attorney members of the Casualty Insurance Adjusters Association of Southern California at the luncheon meeting detailed the successful efforts made at the Pasadena meeting of the California State Bar Association to reach some settlement of the moot question of illegal practice of law that has caused differences of opinion between the adjusters and the members of the bar.

Philip Sterry told how a compromise was effected by which a committee of bar and adjusters will attempt to formulate a treaty in line with the idea suggested in the report of the bar committee. He said that the attitude of the bar is not particularly opposed to adjusters but to the general idea of laymen "practicing" law. Forrest E. Betts, another attorney member, said if the plan is to be successful it must have the support of the companies. The companies are not letting the adjusters down because the companies do not come out in the open, but they are working quietly to bring about the result desired. He said the bar committee saw a practical problem confronted them, and worked out a plan to solve that problem, and declared that it is not the law that must take care of the unethical adjuster, but the companies.

In discussing the formation of a national adjusters' association, President William Cleaves said letters had been received from a number of other organizations and that a committee was considering the plan.

The annual dinner dance will be held Dec. 9.

Truck Cover Discussed

PITTSBURGH—Long haul trucking insurance was discussed at the October meeting of the Casualty Association of Pittsburgh.

Members of the Surety Association of Pittsburgh joined the meeting to hear Lee T. Sellars, judicial bond underwriter United States Fidelity & Guaranty and news commentator on Station KQV, discuss local, national and international affairs.

YOUR CLIENTS AND PROSPECTS WANT THIS NEW POLICY

There's a lot of good business waiting for you among banks, financial institutions and commercial houses, because the new Destruction Policy, introduced by Indemnity, affords protection they need and could not get before. Form 1 covers damage to or destruction of money and securities; Form 2 covers Valuable Papers other than money and securities. Get the facts . . . then get the business.

CAPITAL \$1,000,000

CASUALTY
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**Indemnity Insurance Company
of North America**

PHILADELPHIA

We are anxious to assist the Agent or Broker in securing adequate coverage for unusual propositions.

"Tailor-Made"
Public Liability Policies
Coverage for
Rare and Unusual Events

Great Lakes Casualty Company
 Detroit, Michigan

*What's Your Definition
 of Stability?*

HERE'S OURS—:

FOR
22
 YEARS

EVERY LEGITIMATE LOSS
 has been paid under every
 policy.

The management of the
 Company has remained in
 the same hands.

The Home Office of the
 Company has remained in
 the same city.

ILLINOIS CASUALTY COMPANY
SPRINGFIELD

J. L. PICKERING,
 President

PAUL W. PICKERING,
 Secy.-Treas.

Illinois—Indiana—Iowa

NEWS OF CASUALTY COMPANIES

Central Mutual Plate Glass of Chicago Reorganized

The Central Mutual Plate Glass of Chicago is being reorganized and the receivership proceedings against it have been dismissed. All old officers and directors headed by Harold Shlensky have resigned. Sam Orner is the new president and A. J. Shayne is vice-president. They operate Orner & Shayne, a large Chicago real estate firm. Charles L. Osgood, who is connected with Daemick Company, manufacturers of butchers' equipment in Chicago, is second vice-president. Seymour B. Orner, son of the president and an attorney, is secretary. Irvin Lynn, an attorney with the Illinois Commerce Commission, is treasurer. All the officers are directors. Frank Zurich, formerly secretary, will be underwriter and the balance of the staff will be retained.

The new officers contributed a substantial amount of government bonds and cash to increase the surplus. They also paid the former officers a considerable amount for control of the company.

The reorganized company will write plate glass insurance and will take on other lines as business conditions warrant. Through the new officers' real estate connections it is expected to increase premiums substantially.

Fidelity & Deposit Dividend

The Fidelity & Deposit has declared a quarterly dividend of \$1 a share, payable Oct. 31 to holders of record on Oct. 18.

Bartsch Liquidates Monroe Mutual

F. J. Bartsch has been named special deputy in charge of liquidation of Monroe Mutual Casualty of Springfield, Ill. This was a small concern writing burglary and holdup insurance on filling stations. It was first known as Holdup & Burglary Insurance Mutual. It had 112 policies in force when the receiver was named. C. I. Coleman,

Reciprocal's Claims Mount as New Outfit Is Promoted

DALLAS — Policyholders of the defunct Republic Underwriters of Waco will be sued to satisfy claims unless claimants agree to reduce the amounts due them, reported Curtis Hill, receiver. Claims have been increasing to the point where assets and accounts due are not sufficient to take care of them, said the receiver. A conference of claimants is to be held soon.

The receiver reports the outfit's affairs are growing worse the deeper they are gone into. Mr. Hill says A. B. Shoemaker, former attorney-in-fact for the Republic Underwriters, has between \$150,000 and \$200,000 which the receiver says belongs to the company. The receiver indicated he expected little or no trouble in securing the money from Mr. Shoemaker.

Mr. Shoemaker is now at Little Rock, Ark., organizing another reciprocal. It is understood the plans call for placing the new reciprocal in operation in a number of states where the old Republic Underwriters held sway, but it is not believed any attempt will be made by the new outfit to enter Texas.

The premium income of the Republic Underwriters during its last year of operation was above the million mark. Under a contract the attorney-in-fact had with the policyholders he was to get 15 percent of the gross premium income. For his last year's service to them, that amounted to more than \$150,000. The claims against the outfit will amount to approximately \$500,000, it is understood. With the sum the receiver claims the former attorney-in-fact is not entitled to, and such other assets as have been converted into cash, it is believed 40 to 50 percent of the claims may be settled.

a lawyer of Springfield, was the president. In 1937 its premiums were \$4,106, losses \$2,648 and expenses \$7,405.

CASUALTY PERSONALS

Dr. James W. Cain, 78, from 1918 to 1932 a vice-president of the United States Fidelity & Guaranty, died at his home in Poland Park, a Baltimore suburb. He had an active career as educator, economist and financier. He was a former president of Washington College, Chestertown, Md., and former vice-president of St. John's College at Annapolis. He received his A. B. from Yale, and the LL.D. degree from the University of Pittsburgh and Washington College. After his retirement from the U. S. F. & G. he published a financial history of the United States. He was interested in athletics and coached the St. John's football team for a time.

E. B. Brink, Michigan state manager of the United Benefit Life and Mutual Benefit Health & Accident, is celebrating his fifth anniversary in that capacity. He was Arizona state manager 1928 to 1933, and in 1932 led the company in life production. He joined the companies in 1924 in Oklahoma and later became manager in Utah. He is a past president of the Detroit Accident & Health Club.

L. B. Wood, superintendent of claims, U. S. F. & G., Syracuse, N. Y., spoke on "Dental Jurisprudence" before the annual convention of the third and fourth district Dental Societies of New York at Glens Falls.

Vincent Cullen, president, and Sherman G. Drake, vice-president and agency director of the National Surety, are again in New York City, after three weeks spent among agencies in the

northwest and in the mountain territory. Following attendance at the convention of the National Association of Insurance Agents at St. Paul, the two executives journeyed to Spokane, returning via Helena, Boise City, Salt Lake City and Denver, in each of which centers they visited National Surety representatives. In making the journey President Cullen was able to complete an itinerary proposed last March, but which he was unable to finish at the time.

"Look where you're going! Notice everything about you! Think what you're doing!"

These three simple but all-important rules for traffic safety are the theme of the unique and dramatized efforts of the Omaha Insurance Agency of Omaha to reduce traffic accidents in Omaha.

A series of Sunday radio broadcasts on station WAAW features the drama-

Agents Wanted **BEAUTY SHOP LIABILITY INSURANCE**

Policies written by Responsible American Company in business over 26 years.

LOW COST • REGULAR COMMISSIONS

C. T. KIPLINGER, General Agent
 175 W. Jackson Blvd., Chicago, Ill.

tization of actual traffic accidents taken from the files of the Omaha police department. High school and university musical and dramatic groups are given an opportunity for real radio experience on each program.

To drive home to every man, woman and child in Omaha the fact that "it's smart to play safe" bulletins are being sent to all schools and universities and to special club groups. The WAAW "Man on the Street," also sponsored by the Omaha Insurance Agency, will be used to keep interest in the Sunday Safety Club running high.

J. O. Stacey of Decatur, Ill., field man for the Freeport Motor Casualty in central and southern Illinois, attains the coveted mark in golfing as with his seven-iron shot from the tee of the 12th hole at the country club his ball bounded on the green and dropped in the cup, thus making a hole-in-one. Mr. Stacey was playing with his wife, Milton Babcock, a field man in the same territory for the Western States Mutual of Freeport, and Mrs. Babcock.

On the walls of the Men's Club at the home office of the Standard Accident in Detroit are two beautiful deer heads. These were mounted and donated to the club by F. S. Brown, vice-president and secretary, and A. J. Crockett, vice-president. They are fine specimens and both of them bear metal inscription plates showing that they were shot Nov. 11, 1937.

F. J. Quirk of the Texas casualty commissioner's department, son of W. H. Quirk of the Quirk & McAllister general agency, San Antonio, will be married to Miss Rosemary Clopton of San Antonio Nov. 5.

Western Insurance Bureau Meeting

(CONTINUED FROM PAGE 3)

limitations, and conditions in the policy of fire insurance and extended coverage endorsement and this endorsement, the coverage under this policy is hereby extended to include direct loss or damage to described property owing to change in temperature or interruption of operations when such change in temperature or interruption of operations results from riot or strike or occupancy by striking employees."

The W. I. B. directors approved the recommendation that a rate equivalent to the vandalism and malicious mischief rates for the risk involved be charged for the use of this clause.

In the event that the vandalism and malicious mischief endorsement is attached to the policy and this same extension of coverage is desired, a slight modification of the clause making it amenable to the vandalism and malicious mischief coverage would be necessary. That clause reads:

"In consideration of \$..... additional premium and subject to the stipulations, limitations, and conditions in the policy of fire insurance, the extended coverage endorsement, the vandalism and malicious mischief endorsement and this endorsement, the coverage under said policy is hereby extended to include loss resulting from damage to or destruction of the described property owing to change in temperature or interruption of operations when such change in temperature or interruption of operations results from riot or strike or occupancy by striking employees or from vandalism and malicious mischief."

It was recommended that when that particular clause is employed in connection with the vandalism and malicious mischief endorsement a charge of double the vandalism and malicious mischief rate be made.

These clauses are prepared for use only in connection with the extended coverage endorsement and the vandalism and malicious mischief endorsement when attached to policies containing the extended coverage endorsement.

The W. I. B. directors, according to

Mr. Clark, approved the recommendation that the rules governing reporting form be revised to permit the writing of crude petroleum and/or its products on the monthly reporting and monthly adjustment basis, as well as a monthly reporting and annual adjustment basis.

In August, Mr. Clark declared, Northwestern National brought up the question of the commission allowable on tourist cabins. The bureau commission scale provides for an allowance of 25 percent on seasonal dwellings when not connected with seasonal resorts or seasonal hotel property and for 15 percent commission for seasonal resorts and/or summer hotel property and all buildings and cottages in connection therewith. Northwestern National wanted to know into which class wayside tourists cabins fell.

The directors decided that the matter should be submitted to the membership with the recommendation that where such cabins are operated in connection with filling stations and owned by the filling station that they take the commission as allowed on filling stations, and if the tourists cabins are not operated in connection with filling stations, that they take a commission of 15 percent only.

In his presidential report, Mr. Clark reviewed the history and accomplishments of the Central Traction & Light-

ing Bureau, Underwriters Salvage Company of Chicago, Underwriters Grain Association, Oil Insurance Association, Chicago Fire Insurance Patrol, Uniform Printing & Supply Co., Western Sprinkled Risk Association, Western Improved Risk Association, National Board, Cook County Loss Adjustment Bureau.

This work had involved much research and the report was followed with close interest, as Mr. Clark recalled incidents of the past that were not known to the members or had become dim in their memories.

Secretary Fred C. Schad and Miss Catherine Cavanaugh, private secretary, were present from the executive office. The Western Sprinkled Risk Association will meet Thursday of this week. E. S. Inglis, vice-president Corroon & Reynolds companies, is president.

There are a number of eastern as well as western officials and wives here, and the attendance is exceptionally large.

These committees were appointed Wednesday: Press, Archibald Kemp, Firemen's, and Frank J. Breen, Standard of Trenton; entertainment, W. E. Wollaefer, Concordia, Lloyd W. Brown, Firemen's.

H. M. Giles, Millers National, presented the treasurer's report, Mr. Clark gave a report for the committee on losses. J. C. Hiestand, Ohio Farmers, gave the report on uniform forms;

Ralph S. Danforth, Millers National, field club.

Attorney Samuel Levin of Chicago addressed a joint gathering of the bureau and Western Sprinkled Risk Association on "The Trend of Regulation."

A new rule governing the pro rata reduction of amount of insurance that was recently recommended by the subscribers committee, is being submitted to the membership and undoubtedly will be approved.

A banquet for the bureau members and their wives will be given Thursday evening.

Subscribers Report

In the absence of R. D. Hobbs, the report of the subscribers committee will be given by R. M. Beckwith, Western Actuarial Bureau. Mr. Clark, who is vice-chairman of the subscribers committee, will preside at this meeting.

Manager George N. Porter will give the report on operations of Western Sprinkled Risk.

As there are no controversial matters coming up for consideration and as indications are the relationship between Bureau companies and their agents is highly satisfactory, the meeting is on a most harmonious plane.

As several motor trips have been arranged by the bureau for its members, a number of members and their wives will remain over the week-end.

THAT'S THE TICKET

That's the ticket. This slang expression is a corruption of that's the etiquette—that's the proper mode of procedure. Etiquette is the French word for a ticket, and its present meaning in English arose from an old custom of distributing tickets, or etiquettes, upon which the ceremonies to be observed at any formal proceeding were duly set forth. The modern word "programme" exactly corresponds to the old "etiquette."

—*"Words, Facts and Phrases," Edwards.*

Stock Insurance in a dependable Company—that's the ticket for the intelligent Agent.

Bankers Indemnity Insurance Co.
Newark, New Jersey

« Casualty Affiliate of The American Insurance Group »

Missouri Agents in Session Call for Law Enforcement

(CONTINUED FROM PAGE 4)

gavel over to him after promising the incoming administration wholehearted support.

The banquet was one of the highlights of the meeting. It was attended by about 900 men and women. C. M. Clifford, of the law firm of Lashly, Lashly & Miller, St. Louis, was toastmaster. There was a floor show and dancing. Another highlight was the initial broadcast by the Insurance Board of St. Louis over Station KSD, St. Louis.

The Missouri Insurance Council held an executive meeting during the convention. Work for the year was discussed but no action taken. Morton T. Jones, of R. B. Jones & Sons, Kansas City, is president.

About 300 agents attended the opening session from many points in the state. S. R. DeKins, secretary St. Louis chamber of commerce, extended welcome. He paid tribute to London Lloyds in his statement, it would be a world calamity if anything serious should happen to that old institution. W. H. Bennett, secretary National Association of Insurance Agents, in his address in the afternoon session was less complimentary to London Lloyds. Response to Mr. DeKins' welcome was by B. U. Sparlin,

president Springfield Fire Underwriters Association.

President Clevlen in his annual report touched on the need for closer cooperation between all branches of the business. Early in his administration he appointed a special committee headed by Odin Prowell, St. Louis, to discuss mutual problems with companies and field men. He praised work of the Business Development Office and also the National Board's magazine advertising campaign. He urged the agents to cooperate by running similar ads in their local newspapers at the time the national ads appear.

R. E. Vernor, manager, fire prevention department, Western Actuarial Bureau, Chicago, deplored that American people do not appreciate the significance of insurance protection, which he felt was due to the complex nature of the business. Adequate machinery should be set up to interpret for the public the functioning of the business as a means of building up prestige to which it is entitled, he said. In this the agents can greatly help.

Mr. Bennett took an optimistic view of the future, saying that present time is not nearly so difficult as in the earlier days of business depression.

Dudley F. Giberson of Alton, Ill., brought greetings of the Illinois association. He said that the destiny of any business ultimately rests in the contribution to the welfare that it makes to the consuming public. A wholesome trend, he finds, is steadily gaining in momentum in Illinois. He is proud of the Illinois insurance code and the provision it makes for examinations of

those asking for licenses. He hopes that later on the examination will be made more exacting. Furthermore he is heartened by the demand by Insurance Director Palmer that the automobile finance business must be cleaned up. During the last few months the Illinois Audit Bureau has issued a number of new fire forms, all of which are useful. At this time, but never before, he said, agents and companies need to inform the public intelligently of their wares and convince the people of the social value of their service. When a new form is bulletined Mr. Giberson stated that a company should immediately point out the significant changes between the new and old to agents. They should be given all the information necessary so that they can intelligently serve their assured. In Illinois he reported that a number of local boards are sponsoring educational programs and exchanging credit information.

Rouillard Divulges Department Hand On Two Problems

(CONTINUED FROM PAGE 4)

when justified are parts of the New York program. As chairman of the company committee on rural agents problems, LeRoy T. Brown, secretary America Fore group, New York, said the special effort of the two rural agents problems committees already had proved of unusual value. He urged use of the survey plan of developing sales in smaller towns. Possibilities of sales development he illustrated by telling of an agent who promoted agency premiums from \$4,500 to \$200,000 within 15 years in a town of 1,000 people. Mr. Brown invited agents to submit any special business-getting problems in the rural or small town field to Mr. Marshall, stating that individual attention would be given to the request by him and his company committee. He recommended appointment of a rural agents committee in New Hampshire. Lester H. Harvey of Manchester, New Hampshire Fire, is a member of Mr. Brown's company committee and Mr. Brown suggested that the New Hampshire association work closely with Mr. Harvey.

To Name Strong Committee

President Clark concluded the discussion by pledging appointment of a strong rural agents committee by the state association. As next year's National association meeting goes to Boston, President Clark made a special plea that all New Hampshire agents plan to attend it next September.

Mr. Clark predicted that the local agency countersigning issue brought to a head by the Virginia statute would be settled by conference because of the strength and reasonable attitude of the National association. J. Frank Demeritt, chairman state association educational committee, said his committee hoped soon to announce a method by which those who wish to take the state examination for agents license may prepare themselves. A. B. White, chairman executive committee, introduced a resolution requesting the New England advisory committee to omit the 1939 meeting of the New England Associations of Insurance Agents because of the National meeting in Boston next year. Archie Giles, Hanover, and George Trask, Keene, spoke against this resolution, which was defeated. A resolution of sympathy on the death of Frank Brodie, Waterbury, Conn., chairman New England advisory committee, was adopted. A resolution requesting the New Hampshire Board to permit return of premium by endorsement instead of by cancellation and rewriting when class rates are changed, was adopted.

President Clark after being reelected commented that presidents serving two years should be elected the first time in

a year when the legislature does not meet.

Von J. McPherson, Claremont, recommended that the association takes steps to bring about restrictions of part-time agency appointments. The executive committee will consider this problem during the coming year.

Reelected as officers for next year are: President Clark; Robert S. Perkins, Manchester; H. W. Byse, Laconia; R. N. Clark, Keene, vice-presidents; Stewart Nelson, Concord, secretary; A. B. White, Keene, National councilor; Robert N. Davis, North Conway, chairman executive committee; Donat Corriveau, Nashua; Stowe Wilder, Portsmouth, members executive committee. New members of the executive committee are: Leo Connery, Lancaster; Kenneth Kendall, Rochester; Douglas Everitt, Concord, and Von J. McPherson, Claremont.

The first annual meeting of the New Hampshire Insurance Women's League brought more than 100 women to Manchester. The officers who have served during the first year were reelected: Helen T. Meehan, Manchester, president; Helen B. Howes, Hanover, vice-president; Margaret Challis, Concord, secretary-treasurer. Speakers at the noon luncheon were George E. Clark, Lisbon; F. E. Demeritt; Ralph Hinkley, Boston, New England manager American of Newark, and Commissioner Rouillard.

Charles Gordon, state agent, North America, Manchester, was made representative of the Mountain Field Club on the New England Insurance Exchange nominating committee at the club meeting here. Commissioner Rouillard announced that a voluntary compensation endorsement clarifying the meaning of the word "workman" soon will be used by all companies writing workmen's compensation in the state. Even if an employer elects to come under the law, there is a question whether legally those doing non-laborious work would be covered. The endorsement will make it clear that these employees are covered.

ROUILLARD TALKS

Commissioner Rouillard, the first speaker at the banquet and past president of the association, reviewed his official actions of the past year, starting off with the financial responsibility law administration which started one year ago. For the first six months of this year more than 3,000 car owners were required to file certificates of insurance because involved in accidents. Eight hundred of these had no insurance protection before their citation. Except for modification of the requirement of employee coverage, Mr. Rouillard favors no changes in the law.

Credit for working out the assigned risk plan on automobile risks under the law was given to the state association. Most of these assigned risks pay 15 percent above manual rate but some pay as high as 50 percent. Those who are not granted insurance at all should not be on the roads of New Hampshire, said the commissioner.

Endorsement deductible policies are not acceptable under the law, he said, sometime in the future commissions might be paid on assigned risks. This is not the practice now.

Mr. Rouillard indicated satisfaction thus far with operation of retrospective rating on larger compensation risks. He said the governor of the state had left operation of the insurance commissioner's office entirely in the hands of the commissioner and had refused to overrule the commissioner in several instances.

On agency qualifications, Mr. Rouillard declared competition prevented companies from exercising the best judgment on agency appointments and intervention of the state is necessary. He expects before long to approve an insurance text as an official source of study preparation for agency licenses.

As state fire marshal, Mr. Rouillard said the work had been done as well as

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possible without any funds for it. Appointment of an examiner in the department resulted in collecting much of \$65,000 in retaliatory taxes. Mr. Rouillard is asking \$10,000 additional for operating the department next year. Part of this would be spent for an actuary and a policy examiner. These funds would still be insufficient for examination of local companies.

Harold P. Janisch, adviser of the Service Men's Protective Association of Massachusetts, defined some of the objectives of this organization and the business changes which have caused its existence. Its fundamental purpose is to combat direct-writing companies whether stock or mutual, on the ground that laws are more favorable to these carriers than to the agency operated carriers.

The direct writers in Massachusetts, he said, operate without any effective rulings on their rating charges or dividend distributions. Classifications used are secret, not known to their own policyholders. A fair competitive treatment would make the direct-writers subject to the same requirements as the agency companies. Dividend payments, measured by the same rules, violate anti-discrimination standards though not the law.

Encourage Agency Companies

An agent can not rebate, but direct-writing by a carrier in effect may reach the same result. Another example of statutory discrimination is found in taxes of the two types of carriers. The insurance premiums of the direct-writers are taxed on a basis giving a state tax advantage of 25 to 50 percent as compared with the agency companies. Federal taxes likewise are more favorable to the direct writer in many instances. These statutory advantages will increase in importance, Mr. Janisch predicted, as taxes and government regulations increase. Any organizations promoting practices favorable to direct-writing are to be pointed out as opponents of agency service or middle-man service in any field. Tax free and privileged competition is what the Service Men's Protective Association seeks to end.

Members O. K. Appeal to U. S.

(CONTINUED FROM PAGE 21)

Later during the convention, Superintendent Bowen of Ohio and Vincent Cullen, president of National Surety, expressed strong disapproval of bringing the federal government into the insurance business.

When a resolution approving the action of the officers and trustees was presented, request was made from the floor for an explanation. Mr. Lloyd, suddenly called upon to defend the resolution, won an ovation for his presentation. For five years the Ohio association has worked for a means to save agents and assured from coercion of premiums by finance companies, starting first with the Ohio department. Although Mr. Bowen was willing to cooperate, Mr. Lloyd said, the problem was so nationwide that a single state can do nothing about it.

Disclaiming any desire to bring the government into the business, Mr. Lloyd maintained that the Sherman act is an old, established piece of legislation and was intended to afford relief in just such cases. He denied emphatically that this act could or would promote federal control.

Mr. Wolff surprised everyone by asking to be heard again. Pointing out that he has consistently fought the finance companies, he maintained that the solution lies with the agents and the companies. Neither state nor federal authorities should be approached. The finance business is curing itself, he declared, and agents have a powerful weapon in action against companies which write this business.

Glenn Webb, Lima, a trustee, fol-

lowed Mr. Wolff and spoke strongly for the resolution which passed with few dissenting votes.

Other resolutions asked for more rigid examination for agents and solicitors; called for action against overhead writing and provided for urging every member and candidate for Congress from Ohio to support spreading insurance on governmental construction projects among local agents.

L. Calvin Jones, the new president, has been prominent in the Ohio association since its reorganization in 1933. He operates an agency under his name in Youngstown and has been president of the Youngstown Board. He served as state vice-president the past year and also as chairman of the surety committee. Popular and capable, he was unanimously hailed as an ideal man to lead the Ohio association in its enlarged activities.

Vice-president William A. Earls has long been an association stalwart, although up to now he has successfully resisted repeated requests to accept a state office. He heads the Earls-Blain Agency, one of the largest Cincinnati offices, in which two of his sons are associated with him. Mr. Earls has been a trustee of the Ohio association and previously served five terms as president of the Cincinnati Board. He is nationally known and is usually in attendance at National association meetings.

Hewitt Urges Fair Dues

Following the invocation and the address of welcome by Mayor L. D. Schroy, E. F. Benson, general chairman of the convention, welcomed the body to Akron. In response, I. S. Hewitt, Youngstown, a trustee of the Ohio association, after pointing out its achievements, criticized many of the members for evading payment of their fair share of dues. Three-fourths of the members, he maintained, pay less than the per capita cost of running the state association. Of the 1,038 members, 528 pay the minimum annual dues of \$10, which would indicate \$10,000 or less in premiums, a manifestly false situation. He urged every member to take stock of his premiums, report them honestly and pay his share.

Following the luncheon, at which Allan I. Wolff, Chicago, past president National Association of Insurance Agents, was the featured speaker, the convention heard three talks on different phases of insurance salesmanship. C. J. Fitzpatrick, Baltimore, secretary U. S. F. & G., spoke on "Advertising." Herman Winter, Canton, O., state agent America Fore, on "Field Men and Agents Cooperating," and Grant Bulkley, Chicago, secretary Springfield F. & M., on "How Inland Marine Insurance Can Be Developed."

Large Crowd at Banquet

The annual banquet Tuesday evening jammed the hall and the surrounding balconies to overflowing. F. V. Birch, Milwaukee, executive vice-president Klau-Van Pietersom-Dunlap Associates advertising agency and immediate past president International Association of Lions Clubs, was the featured speaker. He was introduced by Secretary John A. Lloyd, a personal friend. A brilliant and entertaining speaker, Mr. Birch took as his topic the question "What Has Made America a Great Country?" and answered it by developing the thesis that free enterprise, self-reliance and free competition are the essential ingredients of a great nation. He scored a tremendous hit with the large audience.

Prior to Mr. Birch's speech, entertainment was provided in the form of an 8-year-old accordion player and a male chorus. L. G. Tighe, president Akron Chamber of Commerce, spoke briefly, telling how insurance men had played a major role in the recent drive for funds for the Chamber of Commerce.

Under the leadership of P. W. Tribolet, Bellevue, chairman rural agents committee, a breakfast session on the problems of rural agents was held Wednesday morning. Bright hopes were

held for an even greater increase in association membership from country areas. D. C. Smith, Chicago, farm and hail manager America Fore group, spoke on "Underwriting Farm Business."

Following the election of officers, which was the first business of the final convention session, talks were made by R. L. Bowen, Ohio superintendent, and Vincent Cullen, New York, president National Surety.

The convention closed with a luncheon at which H. K. Schaffler, New York, assistant general manager National Board, was the featured speaker.

Two Cent Stamp Is Best Buy

C. J. Fitzpatrick, Baltimore, secretary U. S. F. & G., speaking on "Advertising," pointed out that direct mail advertising is rated as first in effectiveness by 54 percent of his company's agents. A 2 cent stamp, he declared, is the best buy for the money. He warned his audience, however, that, while advertising material supplied by companies or prepared by agents will go a long way in breaking down sales resistance, it will not sell of its own weight. "Every sale," he said, "demands a salesman."

He urged the agents not to waste the effectiveness of their advertising by improper advertising, stating that during the past year he had saved 303 advertising letters which came to his home and found his name spelled in 32 different ways, with 54 combinations of initials. In nine cases the name on the envelope was different from that on the letter. In spite of all the talk about 10,000,000 unemployed people, Mr. Fitzpatrick maintained that there are 45,000,000 people gainfully employed and that the thing to do is to go after them. Public opinion has turned against labor agitators and public opinion in the long run will beat anything. The casualty and surety business will never be at the saturation point or over-sold and the important task of every agent and every company

is to win public opinion by getting people to know something about the insurance business.

Superintendent Bowen attacked the idea of federal supervision, maintaining that two heads are wiser than one and that discussion of a problem from all standpoints will work out more satisfactorily than arbitrary bureaucratic action. The state supervising officials, he declared, are meeting insurance problems adequately.

He referred to fictitious automobile fleets, malicious publications, agency licenses and company examinations. The Ohio department, Mr. Bowen stated, is working on the question of financed automobile business. He urged the agents not to take this problem to Washington.

Referring to the proposed investigation of insurance, Mr. Bowen declared that there is no need for it and that the investigators will be disappointed if they suspect improper investments and control of public utilities by insurance companies.

Personalities at Akron Meet

Walter Meiss, executive general agent, and Ralph Bugli, advertising manager, both of New York, presided at the headquarters of the London Assurance group.

E. F. Benson, Akron, the hard-working general chairman, received many compliments on the way he arranged and handled the meeting. His chief lieutenants were: C. H. Allenbaugh, publicity; L. G. Beem, registration; W. T. Akers, Jr., and D. H. Holloway, company headquarters; A. W. Snyder, entertainment; W. S. W. McKean, golf, and Paul White, sergeant-at-arms.

Charles Sawyer, Cincinnati, Democratic candidate for governor of Ohio, appeared at the opening session and was introduced.

C. F. Thomas, Chicago, manager Western Underwriters Association, was introduced at the banquet.

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No other day gives employees the same tingling sensation as that on which "the ghost walks" . . . pay day.

In these times, no well managed company need brave the risk of having even a small payroll exposed without protection to the hazard of robbery.

Adequate paymaster insurance not only tends to cut down the hazard but makes good, dollar for dollar, when a custodian or paymaster is robbed of funds intended for distribution among individual family treasuries.

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COMPANY
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These Companies also write Fidelity and Forgery Bonds and various forms of Casualty Insurance

Urges Broadening Scope of Service

(CONTINUED FROM PAGE 21)

Mr. McElroy stated that the record of company officials deserves special commendation for guiding their institutions safely through the financial perils of the past nine years. However efficient they may be in the field of finance and underwriting, that does not qualify them, in his opinion, as experts in the matter of public relations. Often it disqualifies them. Many businesses go outside of their own ranks for guidance in the matter of public relations and advertising. Insurance, he emphasized, can well afford to employ the best talent for this assignment. Today he finds the trend is definitely one of building better public relationships.

The Ohio association, he asserted, if it is to serve its members effectively and if it is to keep in touch with the times must also undertake the job of streamlining itself. It must engage actively in a public relations program and not leave it to accident. It must supplement and broaden the job that is now being done by individual agents in their contacts with their own policyholders. He referred to the fact that on frequent occasions Secretary John A. Lloyd had been invited to speak at clubs and various organizations. He had to decline most of these because of the pressure of other duties. With a revised program, President McElroy thinks, it will be possible for him to fill not only these engagements which are to be had without seeking them, but also a greater number which can be secured through the planned assistance of local boards.

A few local boards he states are engaged in sales promotional activity, having round table discussions of coverages and selling methods. Educational programs of this sort should be encouraged state-wide through the assistance of the association's secretary, he added. The association, he said, has talent both in its paid staff and in its membership to take part in these activities.

Ohio Convention Notes

G. W. Talkes, resident vice-president at Cleveland, and Cameron Sanders, manager, Cincinnati, dispensed hospitality for the American Automobile.

N. B. Berra, Columbus, state agent Actna Fire, headed large and popular headquarters for his company.

H. E. Helm, secretary, Fidelity & Guaranty Fire, Baltimore, was host at head-

quarters jointly with C. J. Fitzpatrick, Baltimore, secretary, and A. C. Supplee, Pittsburgh manager, U. S. F. & G.

K. O. Saunders, manager, and F. R. Pease, assistant manager, represented Maryland Casualty.

The Ohio association traditionally opens its meetings with the vice-president in the chair, the president taking the reins after he has delivered his report. Vice-president Jones was unable to be present at the opening, due to an important business appointment, and did not arrive until Tuesday evening. Harvey S. Martin, Toledo, national councillor and immediate past president, substituted in sounding the opening gavel.

The resolutions committee was headed by A. W. Kette, Marion, and included P. B. Ayer, Cleveland; H. W. Boynton, Toledo; B. J. Cranz, Akron; W. A. Earls, Cincinnati; J. E. Greenwood, Warren; W. V. Hayes, Marietta; T. J. Macklin, Columbus; George McNab, Youngstown, and Bruce Shepherd, Dayton.

Mayor L. D. Schroy of Akron not only appeared to welcome the convention, as most mayors promise, but few perform, but was also present at the banquet.

Agents Should Avoid Surety Claim Angle

(CONTINUED FROM PAGE 25)

are actually employed, the company has knowledge of some circumstance which, however, it cannot prove, that makes the claim an unjust one.

Mr. McComas said that surety companies generally do not avail themselves of technical defenses unless the breach of such conditions as constitute the technical defense has resulted in injury to the surety. For instance, a contract bond requires the owner (obligee) to give notice to the surety within 10 days of any matter coming to his attention that may result in a claim on the bond. Suppose that notice was not given until 30 days had passed. If the contractor were wholly solvent on the tenth day after default and therefore in position to reimburse the surety for the loss which it might sustain, but was wholly insolvent on the sixtieth day, the surety would be seriously prejudiced and damaged. Under the circumstances, to assert the defense of failure of the owner to give the notice, while technical, would be wholly meritorious. Unless the surety, however, is damaged by failure of the obligee to give notice within 10 days, the assertion of such a defense by the surety would not only be technical but without intrinsic merit.

The by-product of confidence and good will created by the proper functioning of a claim department, he said, is becoming more important than the mere mechanics of paying losses. He said the agent should get to know members of the claim department intimately wherever possible. He will then come to appreciate that the department is desirous of meeting the company's proper liabilities fairly and promptly.

Difference in Operations

The claim operations in the surety department are far different from those in other branches of the insurance business, he said. Many classes of surety bonds, have become standardized only recently and still are in a state of transition. Many of the bonds are prepared by obligees or their attorneys; others are required to conform to statutory requirements and have neither standard form nor uniformity. Accordingly, there is no settled law interpreting, defining and construing contracts of fidelity, suretyship and other forms of coverage as in the life and fire business.

In suretyship, there is a tri-partite contract.

In the old days, he said, when the fidelity bond insured against "larceny" and "embezzlement" only on the part of a named employee, it was relatively easy to determine whether a given state of facts constituted larceny or embezzlement. However, under the present

forms of blanket bonds and position schedules naming no principal and covering all employees, frequently without limitation as to discovery, etc., including such indefinite hazards as "fraud," "dishonesty," "wilful misapplication" and "wrongful abstraction" the job of determining whether a given set of facts constitutes wrongful abstraction or wilful misapplication or fraud or even dishonesty is not easy. Then there is the complication of losses being discovered months and even years after the event has occurred.

Cases in which the company is clearly liable or clearly not liable are relatively few. Often the factors for and against liability are evenly balanced. It is especially important that every iota of information be furnished by the claimant in order to assist the surety in determining properly its liability.

Says Agents Can Recoup with Marine Lines

(CONTINUED FROM PAGE 21)

away at school or at camp. It covers jewelry and furs, not exceeding \$250 in any one loss, and this may be increased by adding an itemized schedule. Fine arts and stamp collections may also be covered under this policy by schedule. Money is covered against destruction, burglary, theft, robbery and larceny from the premises and against holdup away from the premises up to \$50 and this may be increased to \$250 for an additional premium. Particularly attractive is the latest change, which extends the policy to cover physical damage to the assured's residence and other property as a result of burglary, up to \$500. Rates are reasonable and it is important to remember, Mr. Bulkley continued, that if an agent does not explain this policy to his client, someone else will. Not only will the agent lose an opportunity to make a good sale, but he will also lose a good household furniture fire policy and probably a burglary policy.

Ask Clients About Hobbies

Mr. Bulkley suggested that agents check up on the hobbies of their established clients. Nearly everyone has some avocation which makes him a prospect for an inland marine line. The doctor may be a camera enthusiast and need the camera floater. If he is a member of the local camera club, the agent, after selling the doctor, can approach the entire club through its officers. The lawyer may be a stamp collector and need the stamp collection floater. Not only are thousands of expensive stamps regularly shipped for exhibit purposes, but there is a considerable premises hazard, because thieves have learned that there is a ready market for stolen stamps. The all-risk stamp collection floater will protect the lawyer completely at a very low rate. The local grocer may be a hunter. If so, he probably has a valuable collection of rifles, guns and pistols, some of which are frequently away on extended hunting trips. These can be covered by a scheduled property floater against all risks, anywhere in the world, at a very modest cost.

"Whether it is hangings, old prints, rare books or manuscripts," said Mr. Bulkley, "the inland marine department of your company has an all-risk form ready to offer your client."

Welton Tells Agents to Seek Old Paths

(CONTINUED FROM PAGE 25)

sold in large places as well as small ones. There is a big undeveloped field everywhere for fidelity bonds, he continued. Selling them is largely a matter of making the effort and almost never is the coverage adequate, he asserted.

Not long ago Mr. Welton said there was a list of fidelity losses paid in certain midwestern area over a period of one year. Surety companies paid something over \$3,000,000 to people who had reported losses. That is the amount it

cost the surety companies, Mr. Welton said, but a checkup of the actual losses to employers showed total defalcation of \$56,000,000.

He gave in succinct form the following advice: "Insurance producers have the greatest opportunities for getting business of any group of producers I know and the best source of prospects is ordinarily among those assured already on their books."

Closer Estimates Made on Storm Loss

(CONTINUED FROM PAGE 4)

\$600,000. The Seule Mills were extensively damaged in the tidal wave before the fire broke out.

The fact that the stock market has been making handsome gains favors the factory mutuals. Much of the loss that they will pay in New England has already been offset by stock market gains. It may be that the conflagration reserve will be almost sufficient to cover these losses.

Of course, the cost of the London Lloyds excess contract will increase in the future because of this year's experience and that will add somewhat to the expenses.

RECEIVES 9,000 CLAIMS

NEW YORK—About 9,000 claims have already been received by the special office set up by the National Board in New York to receive claims arising from the Sept. 21 hurricane in Long Island and New England. These do not include automobile claims.

About 4,500 claims have been assigned to the Fire Companies Adjustment Bureau.

Closing papers have been received at the New York office on about 250 claims other than automobile.

The largest number of claims from any one city came from Springfield, Mass., the total from there being about 1,900. Providence produced 600 claims, Worcester, Mass., 500; New Bedford, Mass., 250; Boston, 250; Manchester, N. H., 175.

Fire Companies Adjustment Bureau has 95 men in the storm area working from the offices at Boston, New Bedford, Worcester, Springfield, Providence, Manchester, N. H., Hartford, New Haven, New London, White Plains and Jamaica, N. Y.

A large number of claims from Springfield is attributed to the fact that there was a severe windstorm there about 10 years ago. That made the residents windstorm conscious and more insurance was carried there than in most other places in New England.

President A. G. Martin of the Underwriters Salvage Company of New York marshalled his key men, ready to act promptly and effectively in salvaging such damaged goods throughout the storm area as possible. At the suggestion of the Cotton Insurance Association an expert in handling cotton goods was called from Atlanta, and proved most helpful in checking spoiled cotton fabrics in the New England mill towns. The field staff of the organization was directed on the ground by General Agent E. L. Lewis of the middle department, and General Agent John Quiner of the New England branch.

Opens New Home Office

DES MOINES — More than 100 agents of the Employers Mutual Casualty were welcomed to its new home office at an "Agents Day." John A. Gunn, president, welcomed the agents. Commissioner Pew was the main speaker at a dinner.

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Executive Offices:

CINCINNATI, OHIO

35th Anniversary

POINTERS FOR LOCAL AGENTS

Chester Snow Gives Pointers on Extra Expense Cover

Although new in the general opinion of the insurance world, extra expense insurance is known to have been written as far back as 1924, and probably was written prior to that, the exact date of its origin being unknown, Chester A. Snow, assistant secretary Phoenix of Hartford, and one of the pioneers of this coverage, told the Conference of Special Risks Underwriters at New York recently. The coverage was first given official attention in 1931, at the inter-regional use and occupancy conference, following which a subcommittee of the Eastern Underwriters Association and the Western Actuarial Bureau worked out an extra expense form for newspapers. This form was based upon the per diem U. & O. form, with a daily limit and a partial suspension clause.

During the same year the Phoenix group wrote extra expense insurance, said Mr. Snow, under a form with no daily or monthly limits and without a partial suspension clause, charging four times the use and occupancy rate. After writing this business for risks other than newspapers and ice plants, this group added a requirement that insurance must be purchased sufficiently to take care of at least three months period of restoration.

Pacific Board Form Model

The forms in use today in the major jurisdictions are modeled upon the Pacific Board form of Oct. 1, 1935, called at that time additional charges and expenses insurance, Mr. Snow continued. The period of indemnity must not be less than three months and not more than 40 percent of the amount of the policy may be allocated to any one month. The only substantial change in the form and rules as adopted in other jurisdictions is that the 80 percent co-insurance building rate is generally used as the basis instead of the per diem or weekly U. & O. rate.

Mr. Snow defined extra expense as the amount by which the total cost of conducting the assured's business during a period of restoration exceeds the total cost that would have been incurred during the same period had no fire occurred. Extra expense insurance, he pointed out, protects only the excess outgo and makes no attempt to cover any loss of earnings resulting from a decrease in the assured's income caused by fire or other insured hazard. The majority of assured who need extra expense insurance do not suffer any drop in income should their premises be put out of condition by a fire. If they do, they need use and occupancy insurance.

Eligible Assured

Specifically in need of extra expense insurance are newspaper and magazine publishing plants, ice manufacturing and delivering companies, milk pasteurizing and delivering companies and creameries, laundries and dry cleaners, garbage collection and incinerator companies, oil and gasoline distributing companies, old people's homes, poor houses and orphanages, public schools and banks. In most states, said Mr. Snow, the rules do not limit extra expense insurance to any specified classes, but the ones he cited have been the principal purchasers of this coverage. Concerns of this type must carry on business regardless of the expense involved. For example, if an ice delivery company could not deliver ice for even

one week, most of its customers would be making down payments on electric refrigerators or purchasing their ice from a competitor and probably staying with the competitor permanently. These companies also feel a moral obligation to continue their operations because of the danger to public health should they cease.

Particularly important as newspaper prospects are those publications in county seats which derive a major part of their revenue from legal notices. In practically all states a newspaper is not eligible to carry legal notices unless it has been in continuous publication for a specified period, ranging from six months to three years. Many of these newspapers do not have much surplus. Loss of their legal business would be fatal and yet, without extra expense insurance they could not afford to "move heaven and earth" to prevent skipping a single issue. Large city newspapers are not as good prospects, because they frequently have a "gentleman's agreement" with other publishers in the same city to print the paper for them in the event of an accident, but nevertheless this entails considerable expense and they can and should be sold this coverage.

Difference from U. & O.

A question frequently asked, according to Mr. Snow, is why use and occupancy insurance is not adequate to protect risks of this type. The answer is that in most cases the amount of extra expense to continue the operation of the assured's business will exceed the actual value of the business which would be lost during a period of suspension. The "expense to reduce loss" feature of the U. & O. form limits recovery for such expenses to the amount of business loss actually prevented. Further, such risks as old people's homes, poor houses, public schools, orphanages and similar institutions have no income at all. They are supported by public taxation and could not qualify for use and occupancy insurance and rent insurance would not take care of their needs. Such institutions must be maintained despite fires and other disasters and extra expense insurance is the only way to protect the taxpayers against heavy loss.

Amount of Insurance

Many insurance men have been puzzled by the problem of determining the amount of extra expense insurance needed. Mr. Snow suggested estimating the number of months it would take to restore the building and contents and then getting the assured to estimate the extra expense he is likely to incur during that period of time, remembering that if the period of restoration is not over one month, the limit of recovery is 40 percent of the policy. It should be remembered that the amounts applicable to the different periods of shutdown are cumulative, that is, as the period of shutdown increases, the limits named for the preceding months or month no longer apply and the insurance extends blanket over the actual period of restoration up to the limit named for that period of time. In other words, if the assured is shut down for two months, with 40 percent of the insurance applying to the first month and 70 percent applying to a two month shutdown, the assured can disregard the 40 percent limitation and collect insurance up to 70 percent of the amount of insurance, regardless of how the extra

expense was distributed during the two months. Likewise, if the assured has not exhausted the amount of insurance provided for the maximum shutdown period specified in the contract, the remainder of the coverage will apply to any additional time needed to restore the property. Thus, Mr. Snow declared, the assured is protected against underestimating the time needed to restore the property, provided he has purchased a sufficient aggregate amount of insurance.

Total Loss Possibility

Due to the fact that the assured carries only the amount of insurance he thinks he needs, there is a total loss possibility under extra expense policies. There is no coinsurance requirement and Mr. Snow maintained that it is practically impossible to establish any satisfactory yardstick with which coinsurance could be applied. Very few assured who purchase this coverage have any actual experience of shutdown to draw upon to help them determine how much protection they need. However, on the average, the rate for extra expense insurance is more than twice the rate which would be charged for U. & O., so theoretically the difference in total loss possibilities is offset. Mr. Snow also urged his audience to be certain that every risk which they write has adequate facilities available for carrying on the business; otherwise they will not have proper protection.

SALES IDEAS OF THE WEEK

Information Given on HOLC Certificates

John D. Saint of Nashville, manager of the Tennessee Association of Insurance Agents, recently interviewed W. M. Beale, regional insurance supervisor of the Home Owners Loan Corporation in Memphis, so that he could transmit information to members of the organization. The material he secured is of interest to all agents and is as follows:

"1. All Mr. Beale wants, as to premium guarantees, is certification that an actual sale has been made, that the policy was issued with the approval of the owner and constitutes a bona fide insurance transaction. It is not necessary to stamp a policy 'paid' unless it has actually been paid. All you need do is write on the policy: 'Satisfactory arrangements have been made for the payment of the premium. (Signed) Agent.'

"2. If, after diligent effort, you are unable to collect the premium, the policy may be cancelled in the usual way; the HOLC will then insure the property in the Stock Company Association and in due time your agency will receive from the S.C.A. 50 percent commission on the S.C.A. policy. (They will not pay any part of a premium to any agent).

"3. Why this requirement? Because some 12 agents in this HOLC region abused their privileges and did not handle their renewals right, brought this hardship on us all. It is to protect you. Here is what was going on until the HOLC put this rule rigidly in force: An agent had insurance on a dwelling but the owner became financially involved and borrowed HOLC money; a new policy had to be written when the loan was completed but the agent failed to make arrangement for payment of the new policy premium,

consequently when he could not collect the policy had to be dropped and the property insured through the S.C.A. The legitimate agent lost his earned premium but would have received 50 percent commission from the S.C.A. had not some shyster agent put over a fast one. The shyster read of the mortgage and immediately issued a policy (without knowledge or consent of the assured-mortgagor) and sent it direct to the HOLC. After agent's policy was cancelled for non-payment, this other policy was also later cancelled for the same reason; since the shyster insurance was the last to be cancelled, it became the record of the last insurance transaction and the S.C.A. had no choice but to remit the 50 percent commission to the shyster instead of to the legitimate agent, all because the legitimate agent failed to make the proper agreement with the owner for the premium payment.

"4. Now as to the contract management broker. He must be a real estate operator who is a licensed broker or operates an already established insurance department; they will not tolerate a real estate agent going into sideline insurance just to get one of these management contracts, neither will they tolerate the use of this connection to control insurance on properties other than their own foreclosed property. In this connection Mr. Beale told me a most significant thing; he said that it was most unusual for properties to remain under HOLC ownership to the renewal period of the insurance (usually three years); that before the expiration of that period practically every house on which they had a foreclosure returns to the free market of insurance and the property may be insured by any agent soliciting and selling the insurance to the new owner. Although it may be necessary to place this insurance one time with the S.C.A. through the contract management broker, after that you have every opportunity to recover the line—if you go after it!

"5. Under new regulations, now a part of every contract, the HOLC waives notice of any interest in partial losses when the damage does not equal or exceed \$50 unless the property is in process of foreclosure or where the company denies liability to the assured. The HOLC has put itself on record with every insurance company that their name need not appear as a joint payee on drafts (except as above) for damages in amounts less than \$50. When handling claims of this nature, hereafter, you would serve every interest well if you remind the adjuster of this waiver of joint interest and have the drafts come through in the usual manner."

Valuable Help for Salesmen

One of the most valuable devices for a broker to have on his desk is one sold by THE NATIONAL UNDERWRITER called "Coverages Applicable to Over 400 Specific Risks." This sells for \$1. It gives thumbnail descriptions of coverages but makes no attempt to analyze completely the technical details of the various contracts. They are simply memory joggers for the salesman who is familiar with the coverage but when working out a list of all the coverages necessary to the risk for complete insurance protection may forget to suggest an applicable coverage without such a reminder. The classification of risks is complete. The book is in spiral binding, the pages lie flat, greatly facilitating their use. It is one of the most valuable instruments for salesmen to have.

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Harrison to Head Iowa Federation

DES MOINES—The Insurance Federation of Iowa held its annual meeting here Monday. W. H. Harrison, state agent National of Hartford, was elected president, succeeding J. A. Gunn, president Employers Mutual Casualty. H. H. Haynes, editor "Underwriters Review," was reelected secretary-treasurer. Vice-presidents elected were: J. H. Bunten, state agent Fire Association; Currie Chase, secretary Iowa State Traveling Men's; Harry J. Green, A. B. Loran, State Automobile; B. C. Hopkins, Hopkins & Mullock; K. G. Ellsworth, Aetna Casualty, all of Des Moines, and C. J. Schrup, Dubuque Fire & Marine, Dubuque.

Due to the fact that the state legislature meets only once every two years, the federation voted to hold its meetings hereafter every two years in the even years. Officers, directors and the executive committee will be named for two-year terms.

Suggestions were made to the newly appointed executive committee to investigate the activities of a Chicago company which has been advertising penny-a-day accident policies on a local radio station. The company was said not to have a license in the state.

New directors elected are: Frank

Noble, H. B. Carson, Chester E. Ford, John Gunn, Max Holmes, all of Des Moines; R. D. Austin of Mason City; Karl P. Blaise, Cedar Rapids; R. W. Forshay, Anita; M. H. Falkenhainer Algona; John S. Cutter, Shenandoah; Sam T. Morrison, Iowa City; H. B. White, W. H. Niemann, G. G. Mishler, J. H. Marshall, Robert Colflesh, P. H. Linn, Horace Faskett and C. Moriarty of Des Moines.

Members of the executive committee are: J. A. Gunn, chairman; H. B. Carson, C. Moriarty, Harry Green, Frank Noble, H. W. Foskett and Chester E. Ford.

Brownson Reviews Policy Changes

DETROIT—The Detroit Insurance Women's League had W. G. Brownson, state agent of the Rhode Island, as guest speaker at its October meeting, with 80 of the 131 members, in attendance. He was accompanied by his assistant, R. L. Jennings.

Mr. Brownson attributed the many changes in fire policy forms to changing business conditions the last ten years. He commented on the good fortune of Michigan girls in not having to use the New York standard. Not only does it treble the work, he said, but the least breach in writing may void the policy on vacancy, for instance, if the property insured be vacant a day later than the period specified, even if the tenant or buyer moved in the next day, the contract would be violated. He outlined the changes in the new dwelling form.

Agnes Crick, Michigan Audit Bureau, reminded the members that this form can be used only on one or two-family dwelling policies.

Hopkins Announces Iowa Committees

DES MOINES—Committees of the Iowa Association of Insurance Agents for 1938-39 were announced here by B. C. Hopkins, president. Since the convention at Sioux City, the organization has shown splendid progress with notable increase in membership, which is now near the 250 mark. Several new boards have been organized and several others are in the process of formation.

Much praise is given to John S. Cutter of Shenandoah, who is now serving his fourth term as secretary-treasurer. He has been very active and is doing much in helping to increase the membership and forming new boards.

The Iowa association has one unique feature. It is believed to be the only one with a Past Presidents Club, made up from all living past presidents remaining in active membership.

The new appointments are: Executive committee — C. Arthur Ruhl, Davenport, chairman; Lyle Jeffries, Clinton; Ludwig Rubek, Cedar Rapids; E. C. Cady, Burlington. National Councilor—R. W. Forshay, Anita.

Past Presidents Club and Advisory Committee—J. R. Vaughan, Waterloo, president; H. P. Pratt, Sioux City, secretary; Sam T. Morrison, Iowa City; W. V. Grandy, Sioux City; Frank W. Coates, Dubuque; Eugene Walsh, Davenport; John Hynes, Davenport; R. W. Forshay, Anita; Chester E. Ford, Des Moines; W. A. Sherfe, Ft. Madison, and Painter Knox, Council Bluffs.

Committee chairmen are: Legislative H. P. Pratt, Sioux City; local board, Leon Morse, Council Bluffs; rural

agents, Frank Stauffer, Colfax; Membership, John S. Cutter, Shenandoah; grievance, Ludwig Rubek, Cedar Rapids; fire prevention, Lyle Jeffries, Clinton; accident prevention, H. C. Brown, Mason City.

Reed Agency of Kent, O., Celebrates 25th Anniversary

The W. W. Reed & Son agency, Kent, O., demonstrated that it was an up-and-coming organization by taking a two-page spread in the Kent "Evening Record and Daily Courier-Tribune" on its 25th anniversary in business. A picture of the agency office and members of the firm was given prominence. The copy stressed that the Reed organization is eminently qualified to handle the details of the insurance business for customers and that W. W. Reed, the founder, has made the protecting of other people's interests his interest for 25 years.

Service to customers is emphasized as the dominating object in the conduct of the agency. "Kent's oldest and largest insurance organization" tells its customers that it adjusts its own losses and that its business is to see to it that they get satisfactory loss payments.

W. W. Reed graduated from the Cincinnati College of Dental Surgery in 1887. He opened dental offices in Kent five days after his graduation. He practiced dentistry for 20 years. From 1905 to 1913 he was postmaster, going into the insurance business in the latter year with his son, Glen H. Reed. Mr. Reed was again appointed postmaster in 1923 and held that office until 1935. Interesting bits of local history and the development of the agency are told.

Glen H. Reed, who has been active head of the agency in recent years, attended Ohio Wesleyan. He served in the army on the Mexican border in 1916 and 1917. In July, 1934, with other Kent business men, he organized the First Federal Savings & Loan Association of Kent which now has \$325,508 assets.

Ross Strimple, in charge of casualty, is a brother-in-law of Mr. Reed, the latter specializing on life insurance. Other members of the firm featured in the advertisement are C. B. Frinkley, Lucille Moyer, T. D. Wands, Ila Carder, Pearl Mulac and Florence Bechtle.

Mr. and Mrs. Reed, Sr., observed their golden wedding anniversary the same month the agency celebrated its 25th anniversary.

Tells About Fire Loss for Last 21 Years

Fire losses amounted to \$8,700,000,000 and took a toll of 210,000 lives in the past 21 years, C. D. McVay, vice-president of the Ohio Farmers, LeRoy, Ohio, told Kiwanians at Wooster, O.

He said 85 percent of the fires could have been eliminated, and pointed out the further loss in injuries, losses of payrolls, losses in buying power.

"Of the businesses closed by fire 43 percent never reopen," he declared.

Two-thirds of the deaths caused by fire are due to fires in dwellings and not from theater and school fires, and one-third of these are children under 10 years of age.

Form Regional Association at Traverse City, Mich.

TRAVERSE CITY, MICH.—Broadening of organized agency activities in this area was discussed at a meeting of the newly formed Grand Traverse Regional Association of Insurance Agents. W. O. Hildebrand of Lansing, secretary of the Michigan association, was present. Regional activities will be supervised by the new governing committee member for the district,

Glenn Power of the Hastings-Santo agency here.

Other speakers were Robert Notestein, Travelers Indemnity, Grand Rapids, and Seth Burwell, chief of the Michigan department's licensing division. Mr. Notestein emphasized the necessity for preserving a strong agency system and explained some of the aspects of retrospective rating. Mr. Burwell explained the operation of his division and of the Michigan agents' qualification law.

White With Gulf and Atlantic

Harold F. Sweeney, manager of the central department of the Gulf and Atlantic, with headquarters in Indianapolis, has appointed R. E. White, office manager and underwriter. Mr. White has had over 20 years of home office and field experience and goes to his new connection from the Indianapolis general agency of Cooling, Grumme & Mumford and the Indiana. He spent some years with the Home of New York at the Chicago office and in the Illinois field and at one time operated his own inspection company on the west coast. The central department of the Gulf supervises Illinois, Indiana and Ohio. Mr. Sweeney, accompanied by R. L. Britt of Decatur, special agent for Illinois, spent last week in Dallas with a group of special agents from nearby territory.

Mutual Enters Fire Field

The Central States Mutual of Mt. Pleasant, Ia., which has been writing automobile insurance, including liability and property damage, now has added fire, tornado and allied lines. It will write no farm business.

Program of Kansas Mutuals

The tentative program for the annual meeting of the Kansas State Association of Mutual Insurance Companies in McPherson, as announced by Secretary H. J. Ferguson, includes: "Production," J. A. Chapman, Mutual Reinsurance Bureau, Chicago; "A Good Company Agency and a Good Agency Company," Frank Regier, special agent Midland Mutual, Newton, Kan.; address by H. P. Cooper, secretary National Association of Mutual Insurance Companies, Indianapolis; "Farm Business That Gets Away," G. W. Bushby, president Farmers Union, Salina; "Adjusting the Adjuster," R. C. Beard, treasurer Farmers Alliance, McPherson; address, C. F. Hobbs, Kansas commissioner; "Farm Inspections Pro and Con," W. C. Baker, field inspector Farmers Alliance, McPherson.

There will also be discussions on rural electrification, mutual publicity, etc.

Springfield, O., Outing

More than 100 attended the outing of the Springfield, O., Association of Insurance Agents. Speakers were John A. Lloyd, secretary Ohio Association of Insurance Agents, and "Dusty" Miller, Wilmington, O., newspaper man. A golf tournament was held. A number of insurance men from Michigan and Indiana attended.

More Sevier Fees Invalidated

JEFFERSON CITY, MO.—The Missouri supreme court has knocked out an additional \$75,000 in fees that had been awarded by Circuit Judge Sevier of Cole county to Guy M. Sone, and T. Speed Mosby from funds impounded in connection with the state court case involving the 16½ percent fire insurance rate increase litigation.

Within the past six months the supreme court has set aside all of the special fee allowances made by Judge Sevier. Last April the court invalidated \$155,000 in fees allowed in the

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restitution proceedings involving the old 10 percent rate decrease case.

Several weeks ago the court ruled out \$472,500 fees in the restitution case.

Attorney-general McKittrick carried the appeals to the supreme court that resulted in the setting aside of the total of \$642,500. It has been indicated that action will be taken to force the restitution of \$248,000 reported to have been actually paid from the \$642,500 in allowances.

Iowa Mutuals Meet Nov. 16-17

DES MOINES—The annual meeting of the Iowa Association of Mutual Insurance Companies will be held here Nov. 16-17. About 300 are expected to attend.

Self-Insurance Plan Loses

MINNEAPOLIS—A move to have the city of Minneapolis carry its own insurance on public property was defeated when the committee on ordinances failed to approve a proposed ordinance calling for a city insurance fund. The vote on the proposal was a tie which meant its rejection.

Appearing before the committee in opposition to the ordinance were Ward Senn, F. C. Beazley and P. H. Ware

of the Minneapolis Underwriters Association. The proposed ordinance provided for building up an insurance fund at the rate of \$6,000 a year until it reached \$50,000, at which figure it would be maintained.

Quincy Board's Outing

More than 100 turned out for the jam-boree of the Quincy (Ill.) Board of Underwriters. The preceding evening an informal get-together was held. A heavy rain interrupted the afternoon golf play. Harry Hofer, president Quincy Board, was in charge of the dinner.

In the golf tournament low gross was won by R. E. Hall, National Surety, Chicago. T. E. National, Travelers Fire, Peoria, and Lewis Cassell, London Assurance, Chicago, tied for second.

Kley Miller is vice-president of the board and V. G. Musselman, secretary.

New Minneapolis Officers

MINNEAPOLIS—Directors of the Minneapolis Underwriters Association have elected the following officers: President, L. E. Hatlestad, David C. Bell Investment Co.; vice-president, R. A. Thompson, Wirt Wilson & Co.; secretary-treasurer, H. A. Blomgren, C. W. Sexton Co. P. H. Ware was reelected manager.

The directors elected at the annual meeting were G. W. Nelson, Wood, Nelson & Co.; H. J. Dunn, Towle Mortgage Co., and G. A. Thompson, Lewis-Thompson Agency.

C. F. Crist & Co. Will Move

KANSAS CITY—C. F. Crist & Co., which recently sold the agency plant it had developed in connection with that company to the Bituminous Casualty, will be continued. C. F. Crist, Sr., announced that the agency's offices will be at 114 West Tenth street until about Jan. 1, when they will be moved to Huntsville, Mo.

There the agency will continue to act as general agency for fire and allied lines. The company has the general agency in Missouri and Kansas for the Dubuque F. & M. and National Reserve, and for the Sussex Fire outside of Kansas City, with agencies already developed.

C. F. Crist, Jr., has gone to Lake of the Woods, near Kenora, Ont., to establish a fishing and hunting camp and resort.

Names Bowersox Agency

The Connecticut General Life has appointed the Bowersox Insurance Agency Company as its manager in St. Louis and vicinity. C. E. Fritsche and O. G. Kiefer will be in charge of the life department.

Mutual Men Hear Smoots

H. W. Smoots, general superintendent of sales for the Ohio Farm Bureau, addressed the Mutual Insurance Club of Columbus at its meeting Monday.

Report on Claim Payments

LINCOLN, NEB.—In September fire companies settled 681 claims totaling \$102,606, according to reports filed with the state fire marshal, who is now requesting on his blanks that fire chiefs report the names of companies where the information can be obtained at the time of the loss. Adjusted claims ran \$34,000 higher than in September of 1937.

Form New Ohio Mutual

The General Mutual of Marion, O., has been incorporated to write fire and allied lines. Incorporators are L. M. Francis, F. H. Lawson and F. S. Naylor.

FHA Loan Risks to Agents

ST. LOUIS—The Southwest Bank has made arrangements under which an agent or broker can now write all of the insurance on all of the FHA mortgage loans which he may originate and

place through the bank. The agent or broker who brings in the business will continue to handle insurance on the property covered by the loan for its entire duration, which may run as high as 20 or 25 years.

The FHA plan is very similar to that under which the bank makes loans on automobiles in cooperation with agents and brokers.

Evansville, Ind., Election

Fred C. Richardt, president of the Richardt agency, has been elected president of the Evansville (Ind.) Association of Insurance Agents. Other officers are J. F. Conner, vice-president; J. R. Dill, treasurer, and W. C. Meyers, secretary.

New Wichita Brokerage Rules

WICHITA, KAN.—The Wichita Insurers have adopted new brokerage rules which prohibit any brokerage with non-members or with non-stock companies. In no event shall members accept brokerage business from non-members located in Wichita. Maximum brokerage commissions under the new regulations are: Fire and tornado, 20 percent; compensation, 10 percent; burglary, 20 percent; steam boiler, 17½

percent; accident and health, 25 percent; liability, property damage and collision, 17½ percent; automobile, 17½ percent; plate glass, 22½ percent; bonds, 20 percent.

Taylor Before Women's Clubs

BIG RAPIDS, MICH.—J. Burr Taylor, Western Actuarial Bureau, Chicago, will address the Michigan Federation of Women's Clubs here Friday, stressing the elimination of fire hazards in the home.

Kansas September Losses Low

Kansas fire losses for September dropped to \$134,526, the lowest for any month of the year except June when the total was only \$70,381. City losses totaled \$92,184 from 198 fires while 38 country fires caused a loss of \$42,342.

Oil Loss in Illinois \$60,000

Loss estimated at about \$60,000 was caused by a fire in the refinery of Allied Oil Corporation in St. Elmo, Ill., which was set off by a boiler explosion. About 20,000 gallons of oil products were consumed. The insurance was in the Oil Association and Western Adjustment is handling the adjustment.

IN THE SOUTHERN STATES

Regional Meets to Aid Virginia Membership Drive

RICHMOND—The Virginia Association of Insurance Agents is planning a vigorous membership and educational campaign for 1938-39. R. S. Hodnett of Martinsville is chairman of the membership committee. Regional meetings will be held throughout the state at strategic points. Points at which the meetings have been planned include Norton and Bristol, Oct. 24; Marion and Pulaski, Oct. 25, and Danville, Oct. 26. Regional chairmen for these meetings are: A. L. Witt, Norton; R. M. Easley, Bristol; H. P. Gills, Marion; Edwin D. Pierce, Christiansburg, for Pulaski meeting; Stanley Goodridge, Danville.

Tentative dates have been set for meetings at Petersburg, Newport News, Richmond, Alexandria, Fredericksburg, Lynchburg, Lexington, Roanoke, Emporia, Suffolk, Norfolk, Portsmouth, Charlottesville, Harrisonburg, Front Royal and Winchester. Final dates will be announced later. Meetings are being planned but dates have not been set for eastern shore and northern neck areas.

The membership now totals 326, an all-time high. It is hoped to have at least 400 on the rolls by the end of the year.

W. L. Evans in Oklahoma Post

Walter L. Evans has joined the National Board as a special agent in Oklahoma with headquarters in Oklahoma City. He has been an investigator in the district attorney's office at Fort Worth. He is in Chicago for a few days getting acquainted with the National Board organization there.

Asheville Mutual Men Elect

ASHEVILLE, N. C.—H. B. Leavitt was reelected president of the Asheville Association of Mutual Insurance Agents. W. L. Jenkins was elected vice-president; Julius Levitch, secretary-treasurer; F. T. Burch and J. C. Dillard, directors.

Richmond Exchange Elects

RICHMOND—Edmund T. DeJarnette was elected president of the Insurance Exchange of Richmond, at its annual meeting, succeeding Stuart Ragland, who becomes vice-president. A. L. Richardson was reelected secretary-treasurer. Mr. DeJarnette, member of the local agency of DeJarnette & Paul, is chairman of the legislative commit-

tee of the Virginia Association of Insurance Agents and one of the most active members of that organization. New directors of the exchange are: F. W. Bruce, F. D. Epps, J. H. Gardner, F. A. Goodridge, T. W. Kelley and W. R. Walker.

Opens Adjusting Office

T. G. Sellers, San Antonio, Tex., who has been associated with John C. Griswold in the Griswold Adjusting Company, has opened the George Sellers Adjusting Company at 602 Maverick building.

Hall Sees Rate Reductions

AUSTIN, TEX.—Fire Commissioner Hall predicts a reduction in fire insurance rates, if Texas continues its low loss record. Calling attention to the rate adjustment last March, through good fire record credits, that saved premium payers about \$2,500,000, Mr. Hall says next March will see increased credits in most cities. The system of credits and penalties in Texas makes it possible for a city, through a low fire loss record, to get a maximum credit of



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BOSTON INSURANCE COMPANY
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87 Kilby Street, Boston, Massachusetts

25 percent on all fire premiums; a high loss record can result in a maximum penalty of 15 percent.

Godfrey in Houston Agency

T. M. Godfrey, Houston, Tex., formerly with the Travelers and more recently with the Employers Fire, has become a member of the Sills, Broadus & Godfrey agency, Second National Bank of Houston building.

Agency Now Perry & Savage

The Perry & McDavid agency, San Antonio, Tex., is succeeded by Perry & Savage. Capt. J. H. Savage, Jr., has bought the interest of A. C. McDavid and will become active in the agency as soon as he is relieved from duty with the department of finance in Washington, D. C.

Opens Life Department

The Texas General Agency Company of San Antonio headed by James B. Roark has opened a life insurance department representing the Pan-American Life of New Orleans. Mr. Roark is named as general agent.

Women Discuss Fire Prevention

OKLAHOMA CITY.—The meeting of the Oklahoma City Insurance Women's Club featured a talk on the history of the fire prevention movement

by Mrs. Mae Howenstein and a five-minute essay contest on "What I Would Do if the House Caught Fire?"

Pearl Elsea reported on her trip to Wichita, Kan., where she addressed the Wichita Insurance Women's Club at the annual conference breakfast, held in connection with the meeting of the Kansas Association of Insurance Agents.

Strong Talks on Rating

NEW ORLEANS.—R. P. Strong of the Louisiana Rating & Fire Prevention Bureau spoke before the Exchange Club on rating methods. He said the rate for the nation as a whole must be high enough to pay losses and cost of operation. He then told of the modifications for each city, based on efficiency of fire department, its building laws and types of structure and the penalties or credits for the individual owner.

McDavid in New Agency

A. C. McDavid, who entered insurance work as a special agent in 1913, and who with Kenneth Perry opened the Perry & McDavid agency of San Antonio, 18 years ago, has sold his interest in that agency and opened the McDavid Insurance Agency at 315 Hicks building, San Antonio. He will have associated with him A. C. McDavid, Jr., who is completing his work in the University of Texas.

and educate them as agents. We are not in sympathy with the idea of a closed shop in the insurance business.

"We have reason to believe that you are concerned with anything but tying up the business to the present so-called full-time agency system, therefore we can see no advantage in a meeting that you propose, particularly when your leading members are constantly using non-board, non-bureau competition, anything to get the business—if not in fire, certainly in casualty."

Program Announced for Utah Gathering

SALT LAKE CITY, UTAH.—The annual meeting of the Utah Fire & Casualty Insurers Association will be held Friday of this week at Ogden. Insurance Commissioner Neslen will give an address the first morning as will T. A. Fleming, supervisor conservation department National Board, his subject being, "Relation of Insurance to Credit." In the afternoon Harry F. Badger, secretary of the Pacific Board at San Francisco, will talk as will Manager S. L. Carpenter, Jr., former California insurance commissioner.

The sales interview forum will be

conducted by the Inter-Mountain Field Club through H. R. Breshears, R. L. Salmon and George Maig. Reports will be received from the Salt Lake, Provo, Ogden and Logan local boards. Fred A. Moreton of Salt Lake City, national councillor, will give his report.

F. S. Young of Ogden, is president; N. L. Herrick, Salt Lake City, vice-president, and W. M. Anderson, Salt Lake, secretary-treasurer. The Utah committee consists of C. E. Raybould of Salt Lake, chairman; C. E. Bohn, Ogden and A. W. Hatch of Logan. The executive committee consists of E. H. Miller, Salt Lake; O. E. Vombour, Salt Lake; T. A. Turner, Ogden; J. W. Crawford, Logan, and D. A. Brown, Provo.

The Ogden association has arranged a bridge luncheon at the Ogden Golf & Country Club for the ladies in the afternoon. The committee consists of Mrs. C. R. Fowles, Mrs. C. C. Gaskill, Mrs. T. A. Turner and Mrs. E. H. Ford.

Oregon Mutual Upheld on Ownership of Expirations

PORTLAND, ORE.—In the case of Port Investment Company vs. Oregon Mutual Fire, et al., involving owner-

PACIFIC COAST AND MOUNTAIN

Discuss Mountain Storm, Hail Rates

DENVER.—Consideration of proposals for an adjustment of windstorm and hail rates in the mountain states to provide for the difference in hazards between this territory and the central west was one of the principal orders of business at the annual meeting of the managing committee of the Mountain States Inspection Bureau, held following the annual meet of the supervisory committee of the Rocky Mountain Fire Underwriters Association.

The managing committee considered various recommendations pertaining to forms and rules in the mountain territory, including the wording of certain uniform forms. Among these were dwelling and household form No. 49, with particular attention to the hail clause, and theater form No. 174.

Hazards Do Not Correspond

Discussion of the hail clause was based on the fact that in the mountain territory the hazards of windstorm and hail do not correspond at all with those in the central west. In the central west, windstorm and tornado are primary hazards, coverages being more salable on this account because of the exposure of property to total loss. On the other hand in the mountain states, hail is generally speaking the main hazard, with the probability of only partial loss to property value. The result is that the average property owner seeks to purchase only such amounts of insurance as will indemnify him for damage by hail to roof coverings.

The forms and rules committee of the Mountain Field Club, appearing before the managing committee, expressed the feeling that if an adjustment in rates for hail and windstorm could be authorized, a substantial premium income could be developed.

The managing committee also discussed U. & O. forms but took no action on them, in view of the fact that the entire problem of use and occupancy is being given attention all over the country, by representatives from the various underwriting jurisdictions.

Present members of the managing committee were placed in nomination for election when ballots were sent out in July. They are: Chairman, A. T. Bailey, Pacific Coast manager North

British fleet; vice-chairman, W. N. Achenbach, manager western department, Aetna Fire, Chicago; secretary, Walter Kulp, manager Mountain States Inspection Bureau; E. T. Cairns, vice-president Fireman's Fund, San Francisco; W. O. Wayman, manager National of Hartford, San Francisco; A. F. Powrie, western manager Fire Association, Chicago; W. P. Robertson, general manager North America, Chicago; Wilfred Kurth, chairman Home group, New York; and H. A. Clark, vice-president and western department manager Firemen's group, Chicago. Messrs. Clark, Wayman and Kurth were unable to attend the meeting.

The supervisory committee strongly commended the agency advisory committee of the Mountain Field Club for its educational work under the direction of Chairman John C. Burt, state agent Fire Association. The supervisory committee offered to lend some financial assistance to help in continuation of that work. Using the recommendations of the Business Development Office, the agency advisory committee has during the past year held meetings with agents at Denver, Colorado Springs, Durango, Casper and Santa Fe, in which the agency men were given valuable pointers on meeting mutual competition and other such subjects.

W. N. Achenbach was reelected chairman of the supervisory committee. A. T. Bailey and Frederic Williams were reelected vice-chairman and secretary, respectively.

Pearson Opposes Agency Limitation

PORTLAND, ORE. — Recently the Insurance Exchange of Portland circularized companies and general agents in Oregon, soliciting cooperation in its drive for elimination of part-time agents.

W. E. Pearson of Bates, Lively & Pearson, general agents, says in his reply: "We are not in accord with such an idea of limiting the appointment of agents. Our idea is to see the agents grow in numbers, and certainly if quality can follow the natural growth we believe that under our system it can and does follow."

"We are looking for talented people who have personality and education so that we can train them in our system

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Head Office: 80 John Street, New York

J. A. KELSEY, President C. L. HENRY, Secretary
G. Z. DAY, Vice-President

STATEMENT DECEMBER 31, 1937

Capital	\$1,500,000.00
Premium Reserve	1,565,471.71
Other Liabilities	256,133.87
†Voluntary Contingency Reserve.....	53,281.17
Net Surplus	2,968,397.34
*Total Assets	\$6,343,284.09

*Bonds and Stocks valued on New York Insurance Department Basis.
†Voluntary Contingency Reserve to adjust Surplus to Market Valuation Basis.
Securities carried at \$45,286.73 in the above statement are deposited in various States as required by law.

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Manager Brokerage and Cook County Depts.

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ship of expirations as between a company and its agents, the temporary injunction granted Oct. 8, 1937, has been dissolved.

The Oregon Mutual maintained that business placed on its books by its agents became at once the sole property of the company and when the company, after terminating the agency, commenced active solicitation of business written by the Port Investment Co. agency prior to dissolution of the agency contract, the investment company instituted suit to restrain this practice permanently and in addition sought damages.

The decree now issued, almost exactly one year after granting of the temporary injunction, dismisses the case and dissolves the injunction, thereby sustaining the Oregon Mutual's position. It is understood the plaintiff may appeal.

Webber Heads Blanket Club

SEATTLE—Val Webber of the home office staff of the United Pacific has been elected president of the Seattle Blanket Club. Tilus Grinstead, American Bonding, is vice-president; William King, United Pacific, secretary, and Wallace Corbett, C. B. De-Mille General Agency, treasurer.

Colvin Office in New Quarters

The Charles A. Colvin office in San Francisco has been moved to 340 Pine street on the sixth floor, sharing the area with the Pacific Coast marine department of the Boston. Mr. Colvin is Pacific Coast manager for Boston and Old Colony, Providence Washington, National Union Fire and Birmingham of Pennsylvania.

Outline Oregon Activities

PORTLAND, ORE.—At a meeting of the Oregon Agents Association executive committee, President Ward H. Coble outlined activities contemplated for the year, stressing increase in membership, legislative work and keeping even closer touch with individual members.

Reference was made to the meeting of the Oregon conference committee of the Pacific Board Nov. 17-18, and Commissioner Earle's request that surplus line agents in the state form a Surplus Line Association.

A campaign was outlined for eliminating part-time agents when it is found they do not have the proper facilities

Will Speak at Utah Agents' Meeting



SAMUEL L. CARPENTER, JR.
San Francisco
Manager Pacific Board



T. ALFRED FLEMING
New York City
Supervisor Conservation National Board

for servicing assured. President Coble recommended a system of regional meetings to insure closer contact with the state association.

The president and chairman of the executive committee were authorized to appoint a legislative committee, which will be named shortly after the election. It will cooperate with the insurance commissioner to be appointed by the new governor.

President Coble was named to represent the Oregon association at the California meeting in Fresno.

Opens Spokane Branch

SPOKANE, WASH.—The Federal Crop Insurance Corporation recently has opened a branch in Spokane under the management of R. L. Suppes. It is expected that the Spokane office, which now handles only the corporation's wheat, will be made a full branch office and will issue insurance policies from here.

Los Angeles Girls' Activities

The Insurance Girls Service Club of Los Angeles will hold its first dance of the season Nov. 18. Thirteen new members have joined the club.

The San Diego chapter of the Los Angeles club at its meeting this month will hear Charles Clements of the National Automobile discuss compensation insurance. At the November meeting Claude Moss of W. B. Brandt & Co., Los Angeles, will talk on Lloyds, London.

Opens Las Cruces Office

The W. R. Zener Adjusting Company of Albuquerque, which handles fire, casualty and inland marine losses for companies only, has opened a branch office at Las Cruces, N. M., with F. C. Blake, a licensed attorney, as resident manager. Mr. Blake has been with the Fire Companies Adjustment Bureau for the past two years in its Albuquerque, Denver and Pueblo offices.

See "Word Magic" Film

SEATTLE—Through the courtesy of R. P. Cunningham of the George W. Rourke general agency, the Aetna Casualty film, "Word Magic," was shown at a meeting of the King County Insurance Association.

Board Companies Gain in Montana

Of the \$2,482,676 in net fire premiums written in Montana in 1937 board stock companies wrote 74.2 percent as compared with 71.6 percent in 1936. Non-affiliated stock companies showed a de-

crease in premiums from 15.3 to 13.8 percent, while the mutuals' fire premiums decreased from 13.1 to 12 percent.

Board stock companies' loss ratio was 39.2 percent, non-affiliated stock companies 53.6 percent and mutuals 20 percent.

The average rate for all fire business was \$1.18, which was 2 cents less than in 1936.

The 127 board companies had total premiums of \$1,841,190, non-board stock companies \$343,960 and mutuals \$297,526.

North Central Group Elects

WENATCHEE, WASH.—O. N. Jones has been reelected president of North Central Washington Insurance Agents Association; Don Kenaston, J. S. Mooney & Co., vice-president, and Clare Warren, secretary-treasurer.

Washington Committee to Meet

SEATTLE—The Insurance Agents League of Washington has called an executive committee meeting here Nov. 11.

Rowan on Coast Trip

Phil Rowan, underwriter from the New York office of the Home, is making a tour of Pacific Coast offices. He spent some time in Great Falls, Mont., and went on to Seattle, Portland and San Francisco.

Kirker on Pacific Coast

John H. Kirker, treasurer of the Fidelity & Guaranty Fire, is in San Francisco conferring with Guy Inman, Pacific Coast manager.

EAST

Stock Company Association Closes Boston Office

BOSTON—The Boston office of the Stock Company Association, which has been handling New England fire coverage in connection with insurance on properties in which the government has insurable interest, will be discontinued Oct. 31 and the New England lines will thereafter be handled from the New York office of the association. The Boston office was opened in July, 1936.

A protest against the transfer has been made by President Harvey R. Preston of the Massachusetts Association of Insurance Agents and the situation will be a principal topic of discus-

sion at the convention in Springfield. Other New England state associations are being urged to protest.

Pankow to Baird Co.

BUFFALO, N. Y.—A. R. Pankow, who for 12 years has been with Armstrong-Roth-Cady Co., has joined the John W. Baird Co. as vice-president in charge of the insurance department.

Baltimore Course Starts

The Baltimore Insurance Society's courses in fire, marine, casualty and inland insurance began Oct. 17. The school has attracted a large enrollment.

Memoir for Russell

BOSTON—The Boston Board named a nominating committee to bring in three new names for the brokers committee and adopted resolutions on the death of George O. Russell, former member of Russell, Fairfield & Ellis.

Eastern News Notes

The Reher Agency, Hoboken, N. J., has been incorporated by John Reher, Sara L. Ford and Jacob Loehlein.

G. E. Whitaker former president of the Henry Rose Company, Baltimore adjusters, has been appointed treasurer of the Maryland state roads commission.

L. B. Holden, for some time editor of the Palmer, Mass., "Journal-Register," has become manager of the William Lincoln agency, Warren, Mass., recently purchased by C. D. Holden.

A new local agency was founded in Buffalo, N. Y., by W. L. Collins, P. E. Fitzpatrick and E. T. Danahy, prominent businessmen, who will operate as Collins, Fitzpatrick & Danahy.

Mrs. Helen M. Foster, owner of the Oxford Insurance Agency, Rumford, Me., has been presented a 25-year representation scroll of the Hanover Fire by Special Agent E. G. Dunn.

W. A. Simpson & Son, one of the old time local agencies of Philadelphia, which has been located in the downtown district since 1861, has moved to the Lewis Tower building, 15th and Locust streets. It has been at 111 South Fourth.

A merger of the E. E. Bruen Company and the Goertz-Shelley Company, East Orange, N. J., has been effected under the name of E. E. Bruen Company, 25 Washington place. E. E. Bruen, Jr., is president, and W. A. Goertz is secretary-treasurer.

Over 1,400 guests and city employees attended a testimonial dinner honoring Chief P. J. Kiernan of the Newark fire department. J. M. Burke, president Firemen's Mutual Benefit Association, presented Chief Kiernan with a diamond ring and purse. The dinner was attended by a large delegation of insurance agents and executives.

Massachusetts Head



HARVEY R. PRESTON

Harvey R. Preston of Springfield, Mass., president Massachusetts Association of Insurance Agents, is presiding this week over the annual meeting of the state body in his home town.

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MOTOR INSURANCE NEWS

Finance Group Will Meet in Springfield

The special committee appointed by Insurance Director Palmer of Illinois to investigate thoroughly the situation with regard to writing auto finance accounts, and especially acquisition cost, will meet in Springfield with the director and his associates Friday. The committee is headed by Vice-president W. F. Beyer of the Home. The others are W. P. Robertson, western general manager North America; Orville Davies, vice-president General Exchange; A. E. Heacock, vice-president Meserole companies; V. L. Gallagher of the Pearl; J. V. Herd, vice-president Fire Association; and Walter Meiss, executive special agent London Assurance. J. Ross Moore, secretary National Automobile Underwriters Association, acts as secretary of the committee. The committee held a meeting in Chicago soon after appointed and got organized.

Director Palmer is very much dissatisfied with the commissions paid by some companies for these large finance accounts. The finance companies get the benefit of the commissions and some of them run to a high point. In addition Director Palmer is anxious to have uniformity in certificates that go to policyholders where they purchase automobiles on the instalment plan. He wants the certificates to give full information including the policy provisions. Furthermore he desires uniformity in

procedure so far as blanks binding the purchaser are concerned. The finance companies are evidently rather agitated over the situation because they realize that any precedent set in Illinois will ultimately have to be followed in other states. The committee has discovered that the problems are decidedly difficult.

The committee, it is understood, has held a series of sessions in New York City of late discussing the many angles of the intricate proposition; seeking to work out an acceptable plan for the future handling of the business along the lines basically laid down by Director Palmer in his famous nine points.

Commissioners' Stand on Auto Finance Plans

At the annual convention of the National Association of Sales Finance Companies, Nov. 14-15 in Chicago, a session will be devoted to automotive financing, with Clarence L. Landen, vice-president Securities Acceptance Corporation, Omaha, as chairman.

Listed for this meeting, along with their subjects, are:

W. W. McCarthy, vice-president Devonshire Financial Service Corp., Boston, "National Card Filing"; P. E. Allen, president Allen & Steen Acceptance Co., Terre Haute, Ind., "Disposition of Repossessed Cars"; D. F. Broderick, president D. F. Broderick, Inc., Detroit, "Insurance Commissioners' Regulations Affecting Finance Companies"; T. E. Courtney, president Northern Illinois Finance Corporation, De Kalb, "Sales Tax on Automobiles," and R. S. Breyer, vice-president, Commercial Discount Co., Los Angeles, "Dealer Relations."

Also scheduled for this session is an open discussion on "Bank Sales Financing."

Washington State Launches Auto Rate Structure Study

OLYMPIA, WASH.—Commissioner Sullivan has notified companies writing automobile insurance in Washington that "No new amendments materially affecting present rate basis or structure of automobile insurance shall be accepted or acted upon by the department for a period not to exceed 90 days from date during which period investigation will be conducted." The note says the investigation will cover the entire automobile rating structure.

CANADIAN

Royal-Liverpool Appointments

MONTREAL—George Fielders and Leonard Hook, inspectors of the Royal and Liverpool & London & Globe, have been transferred to Ottawa, Ont., as resident inspectors for both casualty and fire.

Becomes Tariff Office

Following its amalgamation with the Union of Canton, a tariff office, the British Oak, which has hitherto worked on non-tariff lines in Canada, is to become a tariff office.

Confer on Hail Legislation

A conference of hail insurers, summoned by Superintendent Fisher of Saskatchewan, was held in Regina, with a view to securing more uniformity in the laws of the western provinces relating to hail insurance. Mr. Fisher says

the Saskatchewan insurance act will probably be revised shortly.

Take Girard F. & M.

Massie & Renwick have become agents in British Columbia for the Girard Fire & Marine Insurance Company. The Girard at one time withdrew from British Columbia, but is again licensed in that province.

MARINE

Record of "S.O.S." Switch Is So Far Unblemished

One of the prolific causes of fire losses in trucks is the overturn of the truck. When a truck does overturn then a fire is almost certain to ensue. Recently a clever device, "S-O-S" switch, has been installed on trucks which automatically cuts off the ignition on the overturn. A truck standing upright can be jolted as much as possible and the device will not cut the ignition. But let it turn, however, and automatically the ignition is closed. It does at once and unfailingly what air pilots are taught to do in case of trouble. A careful check has been made on accidents where "S-O-S" has been installed on a truck and so far there has not been a single fire loss. It is interesting to know that the inventor of this device is the famous E. D. Lawson of Chicago, western manager of the Fireman's Fund.

This is a small, compact unit of molded plastic which contains two mercury tubes which automatically break ignition circuits when the truck overturns.

Foreign Hull Pool Elects

Great American, North America and Boston have been elected as managers for a term of three years for American Syndicate for Insurance of Foreign Hulls. Boston is represented by W. R. Hedge, Great American by J. Whitney Baker and North America by Benjamin Rush. At the meeting of the board of managers following the annual meeting, Phoenix of Hartford, represented by W. H. McGee, was reelected for a term of one year.

Owen Murray Is to Head New Paramount Fire

(CONTINUED FROM PAGE 3)

would be expected to subscribe to an amount of Paramount Fire stock that is equivalent to about one-fifth the amount of premiums he intends to place with Paramount Fire and that periodically there will be a readjustment of stock holdings.

In last week's edition it was stated that there was a report that arrangements had been made whereunder Chemical National Bank of New York would finance the purchase of Paramount stock for individuals. THE NATIONAL UNDERWRITER is now advised that no such arrangement has been consummated.

It is understood that when Mr. Murray had the project well in hand he visited the head offices of a number of fire companies seeking reinsurance arrangements and that the Home offered the most favorable proposition.

The incorporators of Paramount Fire include a number of prominent figures in the Mortgage Bankers Association of America, although that organization is not officially interested in Paramount Fire. Byron T. Shutz is executive vice-president of Herbert V. Jones & Co., Kansas City, and is a vice-president of M. B. A. J. W. Collins is with Tracy Loan & Trust Co., Salt Lake City, and is a past president of M. B. A. Another past president of M. B. A., who is a Paramount Fire incorporator is E. E. Murrey, who is president First Mortgage Company, Nashville. Other incor-

porators are: W. A. Clarke of the W. A. Clarke Mortgage Company, Philadelphia; L. E. Mahan, president L. E. Mahan Company, St. Louis, and S. B. Nye, president Nye Mortgage Corporation, Buffalo.

Home of New York was represented at the M. B. A. meeting in Chicago by President H. V. Smith and other officials. The Home had an advertising booth installed at the convention. Other companies that had headquarters or displays there were America Fore, Hartford, and the J. S. Kemper organization.

The Murray Insurance Agency, in which Owen Murray is interested, is a member of the Dallas Association of Insurance Agents.

Aviation Neglects Non-Fatal Phases

(CONTINUED FROM PAGE 5)

such as windstorm, fire, and particularly light airplane losses, Mr. Lederer said that light airplanes are involved in more than 30 percent of all accidents while constituting only 22 percent of all civil airplanes. Furthermore, the light plane business is the fastest growing in aviation and therefore deserves special consideration right now. Safety can be achieved in three ways, he said: By improvements in design; by control or regulation; and by education or experience.

Fire Plays No Favorites

Light planes are particularly vulnerable to wind damage, Mr. Lederer pointed out. It is not necessary for them to be caught in a storm to be badly damaged. Low wing loadings make them very susceptible to damage by winds of relatively low velocities. A light plane being operated by a novice in a wind of about 20 miles an hour (known as a moderate or fresh wind) or over is likely to be damaged seriously, he said. Taxiing these planes in fresh winds requires skill and experience. Even winds less than 20 miles an hour are dangerous for light planes but proper instruction in the difficult taxiing problems presented by wind would eliminate most of the losses, he said. He expressed the hope that the

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tricycle landing gear now becoming popular might enable safer operation in winds.

Although winds have less effect on heavy airplanes than on light ones, Mr. Lederer observed that fire plays no favorites. He cited some examples of fires resulting from a wide variety of causes. Fire losses could be reduced if airplane owners, airport managers, and ground personnel could be taught to respect the fire hazards that continually surround the airplane, he said, adding that ignorance or lack of discipline among ground personnel is the most frequent cause of fire loss.

Mr. Lederer said that the need exists for an agency, probably federal, which would undertake the education of new flying instructors, teaching them the best methods for imparting flying technique. This would have a more favorable effect on the accident rate and particularly on the severity of accidents than any other movement in aviation, he declared.

"An instructor should instill in his students a proper respect, not fear, for the existing characteristics of airplanes," he said. "He should encourage his students to fly within present day operating limitations and impart the knowledge required to judge the airworthiness of an airplane. Such instructors are hard to find except in the large schools and old and well operated airports. Many instructors think they are doing the right thing when they have been improperly trained themselves. The training of good instructors will do more than anything else to increase safety and prevent losses."

Mason Is Reelected By Ontario Agents

(CONTINUED FROM PAGE 5)

clients and who are not in a position to service the business after it has been written. It would be difficult to force all those at present engaged in the business to try examinations in order to continue to operate. The first and logical step is to consider the advisability of urging that there be written into the law a requirement that all first-time applicants take written examinations to prove their qualifications to act as insurance agents," declared Mr. Armstrong.

The Insurance Institute of Toronto has been giving consideration to a correspondence course aimed at educating those contemplating entering the agency field, broadening the knowledge of those already in the field and to raise the level of agency service rendered the public. Mr. Armstrong recommended two courses, a primary one covering fundamentals, practices, ethics and Ontario laws affecting insurance, and an advanced course requiring several years of intensive study to complete.

The security of Canada's insurance business and the public confidence it

enjoys are not exceeded in any other country in the world, Superintendent G. D. Finlayson of Canada, said at the banquet. The business has benefited from the record of stability which it has maintained for many years. He attributed the present high status of the business to a combination of insurance legislation, proper supervision, the reserve basis and the practice of the companies themselves. "Agents with a knowledge of their business can do much to avoid litigation, delay and dissatisfaction," he asserted. "The business of insurance should be in the hands of skilled men."

The membership extension committee report was given by John T. Truman, chairman; the report of the advertising committee by Chairman C. M. Lester; automobile standard forms by Rae Blight of Toronto. Mr. Blight also gave a discussion on inland marine insurance. The report of the advisory board was read by Charles Johnson.

Walter H. Bennett, general counsel National Association of Insurance Agents, spoke on "The Production Subdivision of Insurance."

President S. O. Mason, Welland, presided. Charles Priestman reported as secretary-treasurer.

Superintendent McNairn of Ontario opposed restriction of term policies on mercantile and manufacturing risks.

CONVENTION NOTES

Registration at the annual convention of the Ontario Fire & Casualty Insurance Agents Association in Toronto, topped last year's by 20 percent.

The luncheon on the closing day was addressed by Superintendent Georges LaFrance, Quebec.

The closing day was devoted to a discussion of the resolutions committee, submitted by Chairman A. A. Craibe of St. Catharines.

W. U. A. Public Relations Unit Has Good Report

(CONTINUED FROM PAGE 5)

reported business saved or secured; indications of strengthened convictions, improved morale, increased aggressiveness and better salesmanship. Improved relationships between company and agency interests in the various states are evident. There is statistical evidence that the relative progress which non-stock and non-member stock companies have formerly enjoyed has been definitely arrested and the participation of W.U.A. companies increased.

Although internal education will still be emphasized, the committee now plans to give more assistance in the matter of external education consisting of public relations. The committee will give assistance to agents in telling the story to local groups of business men and in contacts and negotiations with trade associations.



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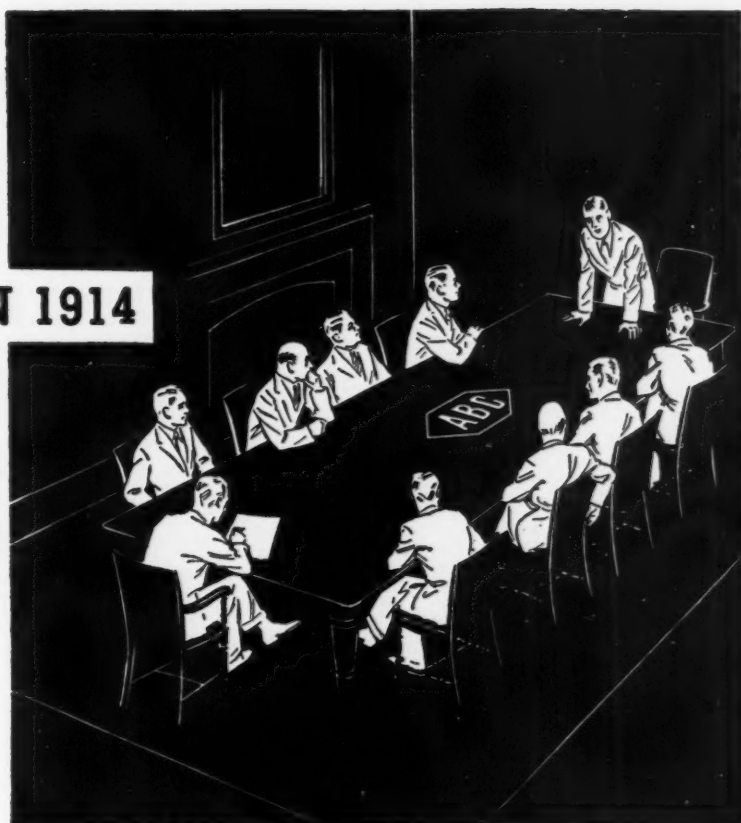
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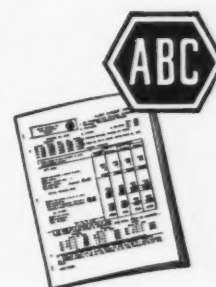
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